PANTHER
SECURITIES PLC

ANNUAL REPORT & FINANCIAL STATEMENTS 2013

The Year in Brief

	2013	2012
	£'000	£'000
Revenue	**14,319**	12,673
Profit/(loss) before tax	**8,155**	(4,633)
Total comprehensive profit/(loss) for the year	**6,954**	(2,989)
Net assets of the Group	**67,916**	62,053
Earnings per 25p ordinary share	**41.7p**	(17.2)p
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	**395p**	367p

**12p – 3p is paid and 9p proposed

Contents

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
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Company number	293147
Website	www.pantherplc.com
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Financial Advisors ***(and NOMAD)***	Sanlam Securities UK 10 King William Street, London EC4N 7TW
Registrars	Capita Asset Services The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU
Solicitors	Ross & Craig Solicitors 12A Upper Berkeley Street, London W1H 7QE
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* Member of Audit Committee
** Member of the Audit Committee and Remuneration Committee

Chairman's Statement

I am pleased to present my 40th annual Chairman's Statement which contains our results for the year ended 31 December 2013.

Our profits for this period amounted to £8,155,000 before tax compared to a loss of £4,633,000 before a tax credit for the same period in the previous year. These figures have been heavily influenced by a substantial reduction of £6,043,000 in our swaps liability. Leaving aside the swaps benefit, the underlying trend is still showing an improvement in returns from our investment portfolio.

Our receivable rental income for the year ended 31 December 2013 was approximately £12,502,000, compared to £10,781,000 for the same period in 2012.

Our finance costs show an increase of approximately £763,000 pa following the acquisition of the Coatbridge Shopping Centre in the previous year and the requirement to reclassify some of the ground rental that is paid on our investment properties (held on very long operating leases) as finance lease interest. The reclassified rental totals £544,000 pa with the remaining increase due to increased borrowings used to fund further investments.

The entire portfolio was revalued by the directors producing a year end increase of £742,000 compared to a valuation decrease of £4,967,000 for the previous year end. Counterbalancing this was a reduction in value of £522,000 on our share portfolio.

Disposals during the year

In June we sold a freehold factory investment in **Princes Risborough** for £1,950,000 to a buyer who had a special interest in this particular property. This generated approximately £292,000 profit. The loss of rental income will be £175,000 pa but the lease had only three years to run.

In September we sold a vacant freehold site which had formerly been a garage in **Nelson, South Wales** at £235,000 which gave us a profit of £93,000.

Acquisitions during the year

In March we purchased a long leasehold property at 19-25 Tarleton Street which is in the prime shopping area of **Central Liverpool** for £371,000 (including stamp duty). The tenant, JD Sports, was in occupation but holding over on an expired lease. We negotiated a new flexible two year lease with break clauses at £85,000 pa on completion of our purchase. This property is situated immediately behind a much larger property in Williamson Street, already purchased by us in the previous year.

Shortly afterwards JD Sports unexpectedly decided to exercise their break clause and vacate. We have, however, agreed a new letting on a long lease without breaks at £60,000 pa which, if concluded, will give a much improved investment value to the property.

In May 2013 we purchased the freehold property, **23-49 High Street and 3-13 Cockburn Street in Falkirk** – a modern multi-let high street retail parade investment for £2,980,000 (including stamp duty). The property comprises 16 retail units which includes a few vacant shops together with some vacant offices. 95% of the total current rental income of £425,000 pa is secured against high profile national multiples including Pizza Hut, Holland & Barrett and Bright House. There is also a double unit let to Santander with 19 years of their lease remaining, the rent rising to £72,500 over the next four years. This investment offers excellent opportunities for long term income and value enhancement when the vacant units are let.

In April 2013 the Group entered into contracts to purchase three of Beales department stores from the Anglia Regional Co-op Society (ARCS), brief details of which were announced in our interim statement of August 2013. The updated current position is as follows:-

77-87 Lumley Road, Skegness was completed on 25 October 2013 at a purchase price of £1,596,000 (including stamp duty). This freehold building has 50,000 sq ft of modern space over three floors in the main shopping street in **Skegness**; included in this purchase is a separate rear car park with loading area together with two small storage buildings.

Park Road, Peterborough – We completed the contract for this department store on 21 March 2014 at a purchase price of £2,000,000. The previously agreed purchase price was reduced by £250,000 which will be contributed by us towards Beales' store upgrade. The freehold has 130,000 sq ft spread over three floors in the town centre and adjoins the successful Queensgate Shopping Centre in this growing, prosperous town.

Queen Street, Mansfield – We also agreed to purchase this major store 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 totalling 150,000 sq ft. The freehold directly fronts onto the main pedestrianised shopping street and the long leasehold part is in 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.

All three properties are currently subject to leases based on a profit share with Beale PLC, which all contain landlord breaks – Skegness can be exercised now upon 6 months' notice and the other two will have the ability to break in a year's time.

Last but not least, although at the smallest price of £20,000, we purchased the freehold of our investment parade at **High Street, Erdington** on which we already hold the leasehold (at a peppercorn) for 90 years fixed. This has the benefit of improving the quality and marketability of this investment considerably.

Development progress

Holloway Head, Birmingham

We have received a number of tender offers for the demolition of the existing buildings on this site which we hope shortly will produce a respectable income from its new temporary car parking use. There are signs of improvement in both the commercial and residential property market in central Birmingham which could, if it continues, improve the value of our site substantially.

High Street, Croydon

Shareholders will recall that a major part of the ground floor was let to Sainsbury's at £56,000 pa with one shop remaining which is now under offer. We have also received a satisfactory offer to buy the vacant upper part with its existing consent for conversion to 6/7 flats.

Victoria Street, Wolverhampton

After much discussion with Wolverhampton City Council, we received unexpected but helpful co-operation from them and in March this year we were granted planning consent for an 8,000 sq ft ground floor retail unit in addition to three upper floors of student accommodation totalling 44 individual self-contained units. This scheme occupies about half of the total site we own in Victoria Street, in the heart of Wolverhampton.

This surprising, and sudden co-operative, helpful attitude from the council will now enable us to improve and bring back into viable use the other five shops in this parade as well as progress the permitted development.

Wolverhampton Planning Department are to be congratulated on their swift and decisive action on this particular scheme!

Wimbledon Studios

In our interim announcement of 5 November 2013 we informed shareholders of our intentions to offer our 200,000 sq ft freehold building occupied by Wimbledon Studios for sale if it helps secure additional funding for Wimbledon Studios Ltd, where we own 25% of the equity.

On 25 March 2014 we further announced "Panther is pleased to report that following a marketing exercise by SRVL Corporate Finance LLP on behalf of the studios, there has been strong interest, with at least two parties showing strong interest in the business of the studios (some of these also for the freehold). This exercise also brought out other interest from parties who are keen to lease elements of the studios, which could further assist the studio business. However, separately, our announcement that stated we would be prepared to sell the freehold, has crystallised other, non-studio related property investor/developer interest in this clearly desirable area. Panther is therefore pleased to announce that it has also had two further offers in relation to purchasing the freehold property and also potential interest for utilising the buildings for alternative use."

There is continued and additional interest being shown and negotiations still taking place which we hope will be satisfactory and profitably agreed in the near future.

Tenant activity

During the accounting year, excluding acquisitions and disposals, we lost a total of 33 tenants who produced approximately £262,000 pa net. During the same period we let to 59 tenants at rents totalling £813,000 pa yielding a net gain of approximately £551,000 pa, before allowing for tenant incentives, etc. These figures are only to give an indication of the activity.

Political donations

Most shareholders will know of my dissatisfaction with the high levels of unnecessary bureaucracy mostly emanating from Europe.

Having financially supported the Conservatives for a long time, last year I changed my mind and decided to support UKIP. This is mainly because of the Government's continual financial attack on property ownership and the property industry. It seems to me that the gradual salami style increases in taxation (including taxation for planning permission), the regulation and removal of indexation and other allowances plus the failure to fix the rates debacle are a form of creeping Marxism completely at odds with a forward looking successful free market economy.

I have once again asked for a resolution to be put to shareholders to support UKIP with a £17,500 donation. UKIP is a political party more attuned to the wishes and worries of the many voters that wish for independence from the bureaucracy of Europe.

Last year the resolution was narrowly defeated because one large shareholder forgot to obtain his nominee holder to vote which only goes to show how important it is for shareholders to properly participate when they are able. I would remind shareholders that I do not vote my shareholdings on these matters.

Dividends

On 29 November 2013 we paid an interim dividend of 3p per share. We are proposing a final dividend of 9p per share thus holding the dividend for the year ending 31 December 2013 at 12p per share. This final dividend will have a scrip dividend alternative.

Prospects

There is definitely a feeling of optimism rippling through the property market. This is possibly due to the Coalition flooding the residential market with improved availability of finance. This in turn produces more residential sales and a gradual increase in residential developments with part of this flow of money transferring into the commercial market.

There is more competition from many new funds prepared to invest in non-prime commercial property and finally there appears greater tenant activity despite the heavy costs of business rates. The rates burden just goes upwards and in many cases the amount payable is more than the rent payable and unfortunately owners are compelled to adjust their rental expectations to take account of market realities.

I am hopeful that with the property market's revival, a number of our property holdings that have been zombified will now come back to life and start to produce more meaningful returns over the next few years as all property markets improve.

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 been busier and more intensive than usual and, of course, our tenants, most of whom pay their rents and excessive business rates despite a difficult trading environment.

Andrew S Perloff
Chairman

29th April 2014

Chairman's Ramblings

Bob died in January, he was aged 94. He came into our lives nearly 30 years ago, when our then 85 year old gardener retired. He recommended Bob – one of his young pals from the British Legion – as his replacement and Bob, who had worked all his life until retirement, then took over as our part-time gardener. He was a happy man of infinite optimism and good nature who often spoke proudly of his Irish heritage – he often told our youngest daughter that he had green blood instead of blue – although he had never in fact set foot upon the Emerald Isle.

Blessed with vigorous good health, he walked the four miles to and from our house and for most of the next three decades he could be found happily pottering around our garden. He was supremely happy with his modest lot, proud of his wife, son, grandchildren and finally great grandchildren. He couldn't imagine anything better than being paid for what he loved to do which was gardening.

Although being a Labour party supporter, surprisingly he often praised "the Iron Lady" for making the purchase of his council house possible. He was delighted that he would be able to leave something for his beloved family to help them get on in life.

Over the last few years he became frailer, both physically and mentally, and his duties were adapted accordingly. Even our dogs seemed to sense his increasing frailty and trotted alongside him in a restrained manner when he walked them around the garden.

Within a short time the decline became more marked until a fall necessitated a short hospital stay but from there a return home was impossible and the move to a care home was sadly inevitable. Increasingly frail towards the end, he was still cheerful and smiling despite not really knowing where he was – he was a ray of sunshine in an otherwise depressing place and after 18 months, he died peacefully.

His funeral was attended by his family and a few friends and fine eulogies were delivered by a close family friend who told us, amongst other stories, about Bob's devastating experiences of being at the D Day landings. This was a surprise to us as although Bob had told us many other stories of his war experiences he had never mentioned this episode. Father Dominic, who was leading the service, assured the congregation that so good a man as Bob would surely be going to his just reward in Heaven.

In the calmness of the church with the sweet smell of the billowing incense filling the air, my mind drifted to a funeral I attended over thirty years earlier.

My friend's father-in-law had died and although I had never met him, I went to the memorial service held at his small flat in Edgware. I cannot remember much about the event but I remember the substance of the Rabbi's speech very well.

He spoke of a humble man who, although not rich in material wealth, had worked hard all his life as a "presser". He explained a presser's job in detail describing the backbreaking toil, long hours and appalling conditions in which they worked (although vastly preferable to being shot at in Normandy). He told us that the finished dresses would be pressed with a heavy double-faced ironing board or more arduously with a hot, heavy iron so that the dresses would hang beautifully before being dispatched to the showroom. On that sweltering summer's day the stuffy, airless and cramped flat gave the mourners an idea of the dreadful conditions in which he had worked so hard for many years.

The Rabbi continued by telling us how this man had brought up a good and dutiful daughter, now happily married with her own family who were being raised in the Jewish way. The Rabbi emphasised that while material wealth may be of great benefit, bringing up a family and earning a living by hard physical work was so honourable in the eyes of God that this man would surely go to heaven amongst all the righteous people.

This send-off brought to mind another even earlier Rabbi's speech at a more opulent occasion – the funeral of a rich old man named Cohen.

I was a young boy when I first became aware of "Old Man Cohen", as he was affectionately called, even though he may have only been in his sixties.

A person named Cohen often has a bloodline which can be traced back to the priests in ancient Jerusalem when the Jews still worshipped in The Great Temple and as such had special duties. One of these duties takes place on the "Day of Atonement" which involves the whole congregation spending an entire day in the synagogue in contemplation, prayer and fasting.

Towards the end of the day, "Old Man Cohen" would ascend the platform where the sacred scrolls were housed, covering his head and outstretched arms with his prayer shawl. Being a Cohen, he would then be entitled to bless the congregation.

In a distinctly noticeable mid European accent and in Hebrew he would say

"May the Lord bless you and keep you.
May he cause his face to shine upon you."

He said it with such feeling that afterwards you truly felt blessed and that God's face had indeed shone upon you.

Many, many years later I learnt of "Old Man Cohen's" very interesting life.

Old man Cohen, who died in his 90s, had been a founding member of my local synagogue. He had supported it well and although he became increasingly religious in old age, he remained a pragmatic man who tried to live and succeed in the modern world.

Baby Cohen was born in Germany at the time of Kaiser Wilhelm II into a prosperous and educated family. In the early 1930s, Hitler's rise to power, increasing anti-Semitism and the racially vindictive Nuremburg laws brought in by a democratically elected German Government meant the future was bleak for Jews, rich or poor.

He had worked in the Sudetenland, formerly part of Germany but which was transferred to Czechoslovakia by the Allies after Germany – for whom he had patriotically served in his youth – lost the First World War. There was little discrimination in the Sudetenland until Hitler's Nazi army marched in and took it back in 1938.

With this persecution, Cohen was dismissed from his job as General Manager of a manufacturing business and decided to flee Germany with his wife whilst he could.

The company owners were unhappy about being forced to sack good employees because of the new vindictive anti-Jewish laws and discussed some form of compensation for him.

"Middle Aged Cohen" found out that England would welcome immigrants if they could in turn employ local people – there were still the remnants of a recession in 1938 – so his employers agreed to give him two or three redundant laminating machines. He immediately set about organising for his family & machines to leave for England as soon as possible but for this he needed export and emigration permits obtainable only in Munich.

Whilst he was there trying to secure the necessary paperwork, "Kristallnacht" occurred. That night saw not only the mass destruction of many Jewish businesses but also entailed rounding up many thousands of male

Jews who were then transported to the concentration camp at Dachau. His wife, who obviously must have been an eminently resourceful woman, not only continued making the arrangements for their departure but also incredibly, succeeded in getting him released from Dachau on the promise of them immediately leaving the country.

Germany's loss was England's gain. On his arrival he set up a factory facility and started making a new type of laminated cardboard. In less than a year, the factory started to play an important role in the British war effort.

However, soon after World War II started, being a German male he was rounded up again and sent to an internment camp on the Isle of Man for nearly two years.

It seems his indomitable and ever-capable wife ran the business for this period.

Upon his release he worked hard over the years with further success that culminated in him selling the company to a huge conglomerate for a substantial sum. He then retired from business to either study or play one of his three pianos, a skill which he had perfected whilst interned with many other musicians on the Isle of Man. It was a well known fact that pianists and cellists posed a particular threat to British security.

When the Rabbi, who knew him well, came to give his eulogy, he was extravagant in praise for Old Man Cohen. He had been through so much, losing much of his extended family in Germany and working so hard all his life to build up one of the most successful enterprises in the area. He told the mourners how in Cohen's later years, his well-deserved wealth had allowed him the time to study the scriptures and help the community.

Now a good Rabbi knows his congregation and probably sensed the shuffling and mumbling whispers from people who felt this strict, careful authoritarian was possibly being overpraised because of his wealth and generosity to the synagogue.

The Rabbi suddenly went off at a tangent and said "In the Jewish religion, charity is considered one of the most important aspects of life.

Of course, like everything, there are different levels of charity.

The Talmud (which is the interpretation of the Bible by Jewish scholars through the ages) speak of different levels of charity and Maimonides (1135-1204), an important scholar, described the different rising quality of charitable giving as follows:-

Giving money to those in need when forced to (i.e., tax).

Then giving money willingly with a smile.

Giving one person a job where they are taught a useful employable skill.

Then employing many people in jobs where they learn skills thus earning a living sufficient to keep their family fed and clothed, allowing them to have self-respect and honour amongst their contemporaries.

But the highest form of charity is by way of loan or gift – helping someone to set up their own business where they will provide success for themselves and employment for others because it creates a virtuous circle.

This is what Cohen did and this is why he will surely sit in heaven amongst the many great leaders who have left this world", thus spoke the elderly Rabbi.

And thus the gardener, the presser and the industrialist will all rest in peace in their respective heavens.

Recently we have all been entertained by the high profile divorce of the advertising genius and glamorous celebrity chef. The bitter and acrimonious divorce was, however, overshadowed by the criminal case brought against the “Brillo Pads” who worked for this celebrity couple. In simple terms they were accused of ripping off their employers by taking massive advantage of their expense allowances without the employers’ approval or knowledge. The “Brillo Pads” were found not guilty as apparently they had been permitted to spend entirely what they wanted on luxury goods for themselves so as to keep secret unsavoury information about one employer from their partner.

Well, all this came out in court.

What was surprising was the amount of staff the celebrity couple employed, the huge amounts spent frivolously but hardly noticed when harmony filled the household. The court and newspapers were full of every detail including the fact that the celebrity couple were “fabulously rich” being worth over £100 million. There was no question that their wealth had been anything other than honestly earned with substantial tax paid.

I wonder if the jury’s verdict would have been different had they not been a celebrity couple and had a much lesser degree of personal wealth.

Since the banking crisis of 2007, there has been a massive politically inspired media outpouring of venom and spleen, first against bankers and their huge bonuses, then against high earners (tax rates up). The next targets were then corporations for not paying enough tax followed by people who legally lower their tax bills. The executives of large companies have been summoned to explain their taxation actions to parliamentary committees to be verbally and aggressively abused McCarthy style, by a committee of people who have fiddled their own expenses, legally manipulated their personal tax affairs to pay less tax, with some having substantial family trusts to fall back on.

It certainly was not me who said “He who has never put his own financial interest first, fire the first verbal onslaught”.

For some years politicians of all major parties have been braying on about how the rich companies and rich people should pay more tax to save the drowning economy.

The general public has caught on to this mantra and blindly followed their leaders in their anti-wealth venom. If you watch Question Time or any other political or financial discussion, you will see a supposedly random audience of people, many of whom speak vitriolically against wealth, riches and success.

A sane person who has listened to politicians talk about taxation laws and amounts that should be payable by others would assume they are brainless idiots. Of course they are not, they fully appreciate that 90% of the population who can vote do not consider themselves rich and as it’s not them, would vociferously support the idea that “the rich” must pay extra tax. They have not been told or helped to think through the eventual results of these policies.

A memory from my past is salient at this point in my ramblings. Over twenty years ago whilst on holiday in the South of France, we were driving along a winding road high up in the mountains offering magnificent sea views. My wife thought it would be nice to have a picnic lunch and suggested we stop to buy suitable provisions. Within fifteen minutes we came to a small village so I pulled up. My wife went into the little supermarket and, as always I was drawn to the estate agent’s window. They had modern flats in the area priced at about £150,000. They seemed expensive but probably the going rate at that time. I then crossed the road and looked into another estate agent's window. They had similar looking flats but their price was £450,000+. This surprised me and, thinking it to be a typing error, went in and asked why the difference. The suave agent smiled and said "Sir, their apartments are in France, ours are in Monaco where we do not pay tax".

There are quite a number of jurisdictions where tax is negligible and I believe the demand to live in these jurisdictions exceeds the supply of homes.

This has been known for some time.

With improved technology there has been a gradual ability to release new information – approximately 30% of income tax is paid by the richest 1% of taxpayers, i.e., about 300,000 people. These same people also pay about 30% of residential stamp duty. It has not yet been ascertained what percentage tax they pay out of all the other myriad taxes but I would bet it's disproportionately high.

Two years ago I pointed out that it was estimated that there are about 5,250,000 British ex-patriots around the world and that it was a pretty safe bet to say that these ex-patriots must contain a much higher percentage of wealthy people than those that remain in the UK.

For many of the wealthy who leave, the reasons include the high rates of taxes, probably more importantly Capital Gains Tax, Inheritance Tax and lastly Income Tax. If these were lowered, the state would receive more money because more rich people would stay and voluntarily pay reasonable taxes.

There would be more enterprise, industry and employment because it would be more worthwhile to do so.

Immigration figures are quoted net of emigrants i.e., immigration of 532,000 – 320,000 emigrants leave, giving net immigration of 212,000.

WHAT WOULD HAPPEN IF 150,000 OF THE TOP TAX PAYERS LEFT OVER THE NEXT THREE YEARS? IT IS NOT IMPOSSIBLE.

Who would make up the tax shortfall?

Why, the poor and middle range earners of course.

When people visit the Horniman Museum, the Tate Gallery, the National Gallery's Sainsbury Wing or Kenwood House and they stop for refreshment add sugar to their tea (eat their pre-packed sandwiches,) or drink their bottle of Guinness, they may pause to reflect how these wonderful institutions became available to the masses for the whole country's benefit. They were of course gifted to the nation by very wealthy individuals.

Some of the first social housing was provided in the same way, for example the Samuel Lewis Trust (a former banker), Peabody Estates (an American Anglophile banker), The 4% Industrial Dwellings Company (Rothschild a banker), Bourneville Town, Port Sunlight etc etc.

Many towns have beautiful parks often named after whosoever donated the land to the community.

Charities such as the Wellcome Trust undertake vital medical research with funds originally provided by single donors.

Andrew Carnegie provided nearly 400 libraries in England.

Thousands of magnificent stately homes have been given to the National Trust for everyone to enjoy.

The list of benefits to our country that have been provided by wealthy benefactors is almost endless.

If thousands of our wealthy individuals feel forced to leave the UK because of its vindictive and short-sighted attitude to success and wealth, it is ultimately the whole country that is the loser.

Firstly, it will result in the disappearance of well paid jobs and the huge trickle-down effect which produce more taxes paid in the here and now and later when these rich individuals pass on to their respective heavens and make their gifts to their new country that has welcomed them so fiscally favourably.

Some of our politicians are slowly beginning to realise this and the risks their present tax policy vendetta contains for the country as a whole.

THEY NEED TO TRY HARDER TO EXPLAIN!

Andrew S Perloff
Chairman

29th April 2014

Group Strategic Report

About the Group
Panther Securities P.L.C. 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 750 individual property units within approximately 125 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.

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.

Key Ratios and measures

	2013	2012	2011
Gross Profit Margin (Gross profit/turnover)	**74%**	69%	65%
Gearing (debt*/ (debt* + equity))	**51%**	53%	47%
Interest Cover**	**1.36 times**	1.25 times	1.97 times
Finance cost rate (finance costs/average borrowings for the year)	**6.7%**	6.9%	5.7%
Yield (rents investment properties/average market value investment properties)	**7.9%**	7.4%	6.7%
Net assets value per share	**395p**	367p	397p
Earnings per share	**41.7p**	(17.2)p	(5.1)p
Dividend per share	**12.0p**	12.0p	12.0p
Investment property acquisitions	**£5.3m**	£11.4m	£21.0m
Investment property disposal proceeds	**£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 Group has slowed its investment activity for year ended 31 December 2013 and made £5.3 million of acquisitions (compared to property acquisitions of £11.4 million in 2012 and £21.0 million in 2011). The reduction in investment is partly due to the Board seeing less decent opportunities as the market improves, but also as it is being even more particular due to the reduced remaining loan facilities availability under our current arrangements. However, even though there are less investment opportunities there are still many we will consider in 2014 and potentially acquire.

Many of these acquisitions over the last few years were high yielding, bought from keen sellers, and were purchased using our floating facility (not fixed like the bulk of our loan facility) which has a relatively lower interest rate. As such you can see from the Consolidated Statement of Cash Flows, we are benefiting from higher net cash generation (after interest and tax) from the property investment portfolio (operating activities) which has increased from £1.7 million (if you exclude the stock property purchase) in 2012 to generating £2.7 million in 2013. This is to be expected especially as the majority of last year's purchases were made in in November 2012 so this is the first year of full benefit on those acquisitions.

As well as seeing growth in revenues from purchases and organic growth, after last year's large write down in property values we have now seen a small valuation increase.

We anticipate if the economy maintains its upward momentum increases in property values, in particular we have the ability to add further value by letting vacant units (many purchased vacant).

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 £2.8 million (2012 – £8.5 million) in the year.

The Group still had at the year end £3.7 million of this facility available and £3.9 million cash for future investment and trading activities.

The Group has loan repayments of £3.0 million in July 2014 and July 2015, however it has reached agreement with our lenders to reduce these loan repayments to £1.0 million each year. These were not legally documented at the time of producing this report or at the balance sheet date and are therefore shown as due at the full amount.

In addition to negotiating reduced loan repayments, the Group is still looking to dispose of properties where we can make a decent profit, and has also introduced a scrip dividend which saved almost £1m cash flow in 2013. This all helps maintain funds to acquire suitable higher yielding assets if the opportunities arise.

The Group currently has no plans to seek alternative financing as described in last year's accounts and due to potential disposals and actions taken as described above we hope to manage our acquisition strategy within our current financing arrangements.

Financial derivative

We have seen a large improvement (decrease) in our long term liability on derivative financial instruments of £6.0 million (£0.8 million fair value loss in 2012) with the total long term liability on our balance sheet reducing to £14.7 million (2012 – liability of £20.7 million). This is a large swing and even though we are aware that at the time of publishing these accounts the liability has again increased, we are quite confident that if the economy continues to improve and long term interest rates normalise we will see this long-term liability reduce further.

These financial instruments (shown at note 29) are our interest rate swaps that were entered into to remove the cash risk of interest rates increasing, by fixing our interest costs. However, in economic uncertain times, as we have seen over the last few years, there can be large swings in the accounting valuations, as small movements in the expectation of future interest rates can have a significant impact on their market 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 balance sheet date. In a hypothetical world if we could fix our interest at current rates and term we would overall have much lower interest rate 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 balance sheet.

Listing status

As mentioned above the Group cancelled its Full Listing and relisted on the Alternative Investment Market (AIM) in December 2013. The Board believed that this market was a more suitable listing for a Group of our size.

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 and no hedge accounting is 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 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 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 include only 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, 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: 29th April 2014

Report of the Directors

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 2013.

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) and as regards the Company financial statements, as applied in accordance with the provisions of the Companies Act 2006. 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 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 £7,073,000 (2012 – loss of £2,948,000).

The interim dividend of £516,000 (3.0p per share) on ordinary shares was paid on 29 November 2013. The Directors recommend a final dividend for the year ended 31 December 2013, of £1,518,000 (9.0p per share) payable on 31 July 2014 to shareholders on the register at the close of business on 20 June 2014 (Ex dividend on 18 June 2014). The total dividend for the year ended 31 December 2013 being anticipated at 12p.

As in the previous year the shareholders will have the option of a scrip dividend for the 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	
	2013	2012
A. S. Perloff (Chairman)	**4,212,687**	4,179,713
B. R. Galan (Non-executive)	**315,502**	306,239
P. M. Kellner (Non-executive)	**17,000**	17,000
J. T. Doyle	**61,815**	60,000
J. H. Perloff	**107,500**	107,500
S. J. Peters	**178,557**	173,500

A. S. Perloff and his family trusts have beneficial interests in shares owned by Portnard Limited, a Company under their control, amounting to 7,971,406 (2012 – 7,737,336).

There have been no changes in Directors' shareholdings since 31 December 2013.

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 £250,000, (2012 – £240,000) are made up as follows:

Director	Salary/Fees £'000	Bonus £'000	Taxable Benefit £'000	Pension Contribution £'000	**Total 2013 £'000**	Total 2012 £'000
Executive						
A. S. Perloff	—	—	6	—	**6**	6
J. T. Doyle	72	8	7	—	**87**	81
J. H. Perloff	46	3	1	—	**50**	49
S. J. Peters	43	8	—	36	**87**	84
Non-executive						
B. R. Galan	10	—	—	—	**10**	10
P. M. Kellner	10	—	—	—	**10**	10
	181	19	14	36	**250**	240

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 2013 and does not anticipate making further contributions.

S. J. Peters had pension contributions paid in the year by the Company of £36,000 (2012 – £33,000) into his personal stake holders' contribution pension scheme.

No other payments were paid in respect of any other Director during the year (2012 – £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.

Payment policy and practice

The Group agrees payment terms with each of its major suppliers and abides by these terms, subject to satisfactory performance by the supplier. Trade creditors of the Group at 31 December 2013 were equivalent to 73 days purchases (2012 – 74), based on the average daily amount invoiced by suppliers during the year.

Capital structure

Details of the issued share capital of the Company are shown in note 24. 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 29.

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 £nil political donations (2012 – £nil). The Group makes donations to charities through advertisements at charity events and in the diaries of charities, the total of which in 2013 was £3,000 (2012 – £4,000). The Group made a specific donation of £15,000 to the Red Cross Typhoon appeal and is a Foundation Partner of the preferred charity of the property industry, Land Aid, donating £10,000 (2012 – £10,000).

Status

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

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
Hertfordshire EN6 1AQ

Dated: 29th April 2014

Corporate Governance

Panther Securities P.L.C. Board recognise the importance of sound Corporate Governance. However during 2013, 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 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 full member of the Chartered Institute of Taxation and a Fellow of the Chartered Certified Accountants and was formerly with the KPMG Corporate Tax Department and 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 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.

Audit Committee
The Audit Committee has three members and includes both non-executive Directors and is chaired by Peter Kellner, and also includes an executive Director, being the Chairman. 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 2013 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.

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.

Remuneration Committee

The Remuneration Committee consists solely of the two non-executive Directors, B. R. Galan (Chairman) and P. M. 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 no external third parties are consulted. In 2013 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 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 2013 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 47. 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/apb/scope/private.cfm.

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 2013 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

29th April 2014

The maintenance and integrity of the Panther Securities P.L.C. website is the responsibility of the directors; the work carried out by the auditors does not involve consideration of these matters and, accordingly, the auditors accept no responsibility for any changes that may have occurred to the financial statements since they were initially presented on the website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Consolidated Income Statement

For the year ended 31 December 2013

	Notes	**31 December 2013 £'000**	31 December 2012 £'000
Revenue	5	**14,319**	12,673
Cost of sales	5	**(3,685)**	(3,906)
Gross profit		**10,634**	8,767
Other income		**104**	84
Administrative expenses		**(3,818)**	(3,303)
		6,920	5,548
Profit on disposal of investment properties		**385**	241
Movement in fair value of investment properties	16	**742**	(4,967)
		8,047	822
Share of trading loss from associate undertaking	18	**(208)**	(152)
Finance costs	10	**(5,229)**	(4,466)
Investment income	9	**24**	63
Profit on disposal of available for sale investments (shares)		**–**	99
Impairment of available for sale investments (shares)	19	**(522)**	(222)
Fair value gain/(loss) on derivative financial liabilities	29	**6,043**	(777)
Profit/(loss) before income tax		**8,155**	(4,633)
Income tax (expense)/credit	11	**(1,082)**	1,685
Profit/(loss) for the year		**7,073**	(2,948)
Attributable to:			
Equity holders of the parent		**7,094**	(2,898)
Non-controlling interest		**(21)**	(50)
Profit/(loss) for the year		**7,073**	(2,948)
Earnings/(loss) per share			
Basic and diluted	14	**41.7p**	(17.2)p

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2013

	Notes	31 December 2013 £'000	31 December 2012 £'000
Profit/(loss) for the year		**7,073**	(2,948)
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	19	**(156)**	(83)
Realised fair value on disposal of available for sale investments (shares) previously taken to equity		**–**	68
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	27	**36**	(26)
Other comprehensive loss for the year, net of tax		**(120)**	(41)
Total comprehensive income/(loss) for the year		**6,953**	(2,989)
Attributable to:			
Equity holders of the parent		**6,974**	(2,939)
Non-controlling interest		**(21)**	(50)
		6,953	(2,989)

Consolidated Statement of Financial Position

Company number 293147

As at 31 December 2013

	Notes	31 December 2013 £'000	31 December 2012 £'000
ASSETS			
Non-current assets			
Plant and equipment	15	**386**	401
Investment property	16	**158,184**	153,156
Goodwill		**–**	8
Deferred tax asset	27	**720**	1,674
Available for sale investments (shares)	19	**1,083**	1,761
		160,373	157,000
Current assets			
Inventories	20	**145**	263
Stock properties	20	**1,450**	2,714
Trade and other receivables	22	**5,271**	4,529
Cash and cash equivalents*		**3,858**	2,813
		10,724	10,319
Total assets		**171,097**	167,319
EQUITY AND LIABILITIES			
Equity attributable to equity holders of the parent			
Capital and reserves			
Share capital	24	**4,297**	4,217
Share premium account	25	**3,750**	2,886
Capital redemption reserve	25	**604**	604
Retained earnings		**59,225**	54,285
		67,876	61,992
Non-controlling interest		**40**	61
Total equity		**67,916**	62,053
Non-current liabilities			
Long-term borrowings	26	**68,760**	68,857
Derivative financial liability	29	**14,662**	20,705
Obligations under finance leases	32	**7,021**	7,278
		90,443	96,840
Current liabilities			
Trade and other payables	28	**9,326**	8,014
Short-term borrowings	26	**3,170**	140
Current tax payable		**242**	272
		12,738	8,426
Total liabilities		**103,181**	105,266
Total equity and liabilities		**171,097**	167,319

The accounts were approved by the Board of Directors and authorised for issue on 29th April 2014. They were signed on its behalf by:

A.S. Perloff

Chairman

* Of this balance £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 2013

	Share capital £'000	Share premium £'000	Capital redemption £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2012	4,217	2,886	604	59,248	66,955
Total comprehensive income	—	—	—	(2,939)	(2,939)
Dividends	—	—	—	(2,024)	(2,024)
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 31 December 2013	**4,297**	**3,750**	**604**	**59,225**	**67,876**

Within retained earnings are unrealised gains of £nil and deferred tax credit of £521,000 (2012 – unrealised gains of £156,000 and a deferred tax credit of £448,000) relating to fair value of available for sale investments (shares).

Consolidated Statement of Cash Flows

For the year ended 31 December 2013

	31 December 2013 £'000	31 December 2012 £'000
Cash flows from operating activities		
Profit from operating activities	**6,920**	5,548
Add: Depreciation charges for the year	**127**	134
Add: Loss on sale of fixed assets	**—**	3
Add: Write off of goodwill	**8**	—
Add: Loss on impairment of stock properties	**259**	683
Less: Rent paid treated as interest	**(544)**	—
Profit before working capital change	**6,770**	6,368
Decrease in inventory	**118**	58
Increase in stock properties	**—**	(494)
Increase in receivables	**(951)**	(865)
Increase in payables	**1,292**	492
Cash generated from operations	**7,229**	5,559
Interest paid	**(4,417)**	(4,220)
Income tax paid	**(121)**	(143)
Net cash generated from operating activities	**2,691**	1,196
Cash generated used in investing activities		
Purchase of plant and equipment	**(112)**	(49)
Purchase of investment properties	**(5,326)**	(11,085)
Purchase of available for sale investments (shares)	**—**	(356)
Proceeds from sale of investment property	**2,175**	645
Proceeds from the disposal of available for sale investments (shares)	**—**	1,055
Dividend income received	**15**	53
Interest income received	**9**	10
Net cash used in investing activities	**(3,239)**	(9,727)
Cash generated from financing activities		
Repayments of loans	**(147)**	(145)
Payment of loan arrangement fees and associated costs	**—**	(469)
Draw down of loan	**2,830**	8,500
Dividends paid	**(1,090)**	(2,024)
Net cash generated from financing activities	**1,593**	5,862
Net increase/(decrease) in cash and cash equivalents	**1,045**	(2,669)
Cash and cash equivalents at the beginning of year	**2,813**	5,482
Cash and cash equivalents at the end of year	***3,858**	2,813

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

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

New and amended standards adopted by the Group

The following new standards, interpretations and amendments, effective for the first time from 1 January 2013, have had a material effect on the financial statements of the Group.

Amendments to IAS 1, 'Financial statement presentation' regarding other comprehensive income. The main change resulting from these amendments is a requirement for entities to group items presented in 'other comprehensive income' (OCI) on the basis of whether they are potentially reclassifiable to profit or loss subsequently (reclassification adjustments).

IFRS 13, 'Fair value measurement', aims to improve consistency and reduce complexity by providing a precise definition of fair value and a single source of fair value measurement and disclosure requirements for use across all IFRSs. The requirements do not extend the use of fair value accounting but provide guidance on how it should be applied where its use is already required or permitted by other standards with IFRSs.

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 2014 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 2014) 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 10 Consolidated Financial Statements
- IFRS 12 Disclosure of Interests in Other Entities
- IAS 27 Separate Financial Statements
- IAS 28 Investments in Associates and Joint Ventures

* 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.

In respect of available for sale equity investments held by the Group as at 31 December 2013, all of the declines in fair value below cost were considered as prolonged. If this had not been the case the profit before tax would have been increased by £522,000 (2012 – loss before tax decrease by £222,000).

3. Critical accounting judgements and key sources of estimation uncertainty continued

Estimation uncertainty

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

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 Assets and Liabilities 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.

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.

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.

In the current year, the properties were valued by the Directors.

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 substantially 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 23.25% (2012 – 24.5%), 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. M.R.G. Systems Limited is classified as separate operating segment to the activities of the rest of the Group, where M.R.G Systems Limited's principal activity is that of electronic designers, engineers and consultants. The impact of its activities on the income statement is shown in note 5. The impact on the statement of financial position and statement of cash flows is not material to the accounts.

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.

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) Trading income from M.R.G. Systems Limited, is representing amounts receivable for work undertaken and goods sold during the year, exclusive of Value Added Tax.

(4) Sale of current asset investments: This is recognised on the sale becoming unconditional.

(5) 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.

(6) 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 derivatives 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.

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 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 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' main 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.

M.R.G. Systems Limited is an operating business segment whose principal activity is that of electronic designers, engineers and consultants. 74% of its revenues arose in the United Kingdom and 100% of its cost of sales.

The split of assets, tax effect and cash flow of each segment is not shown as these are not material in relation to M.R.G. Systems Limited.

Turnover arose as follows:	**2013 £'000**	2012 £'000
Rental income	**12,502**	10,781
Income from trading (M.R.G. Systems Limited)	**1,817**	1,892
	14,319	12,673

Cost of sales arose as follows:	**2013 £'000**	2012 £'000
Cost of sales from rental income	**2,592**	2,202
Cost of sales from impairment of stock property	**259**	683
Cost of sales from trading (M.R.G. Systems Limited)	**834**	1,021
	3,685	3,906

Profit/(loss) before income tax:	**2013 £'000**	2012 £'000
Profit/(loss) from investment and dealing in properties	**8,241**	(4,436)
Loss from trading (M.R.G. Systems Limited)	**(86)**	(197)
	8,155	(4,633)

6. Loss for the year

The loss for the year is stated after charging:	**2013 £'000**	2012 £'000
Depreciation of tangible fixed assets – owned by the Group	**127**	134
Fees payable to the Group's auditor for the audit of both the parent company and the Group's annual report and accounts	**4**	6
Fees paid to the Group's auditor for other services:		
The audit of the parent's subsidiaries	**64**	60
Other services provided	**6**	2

7. Staff costs

	2013 £'000	2012 £'000
Staff costs, including Directors' remuneration, were as follows:		
Wages and salaries	**1,475**	1,426
Social security costs	**158**	172
Pension contributions	**55**	39
	1,688	1,637
The average monthly number of employees, including Directors, during the year was as follows:		
Directors	**6**	6
Other employees	**36**	36
	42	42

8. Directors remuneration

	2013 £'000	2012 £'000
Emoluments for services as Directors	**250**	240

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.

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 P.L.C. Information regarding their emoluments is set out below.

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

	2013 £'000	2012 £'000
Short term employee benefits (salaries and benefits)	**277**	265

9. Investment income

	2013 £'000	2012 £'000
Interest on bank deposits	**9**	10
Dividends from equity investments	**15**	53
	24	63

10. Finance costs

	2013 £'000	2012 £'000
Interest payable on bank overdrafts and loans	**4,685**	4,466
Interest payable on finance lease liabilities*	**544**	—
	5,229	4,466

* 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:

	2013 £'000	2012 £'000
Current year UK corporation tax	**319**	372
Prior year UK corporation tax	**(227)**	(206)
	92	166
Current year deferred tax credit	**990**	(1,851)
Income tax credit for the year	**1,082**	(1,685)

Domestic income tax is calculated at 23.25% (2012 – 24.5%) 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% (2012 – 23.25%).

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

	2013 £'000	2013 %	2012 £'000	2012 %
Profit/(loss) before taxation	**8,155**		(4,633)	
Profit/(loss) on ordinary activities before tax multiplied by the average of the standard rate of UK corporation tax of 23.25% (2012 – 24.5%)	**1,896**	**23.25**	(1,135)	(24.5)
Tax effect of expenses that are not deductible in determining taxable profit/(loss)	**89**	**1.1**	33	0.5
Dividend income not allowable for tax purposes	**(3)**	**—**	(13)	—
Capital allowances for the year in excess of depreciation	**(53)**	**(0.6)**	(58)	(1)
Non taxable movement in fair value of investment properties	**(1,002)**	**(12.3)**	(750)	(16)
Non deductible movement in fair value of available for sale investments (shares)	**126**	**1.5**	3	—
Non deductible movement in fair value of financial instruments	**477**	**5.8**	358	7.5
Tax effect of non deductible loss in associate	**48**	**0.6**	37	0.5
Tax losses utilised	**—**	**—**	48	1
Disposal of properties or shares	**(269)**	**(3.3)**	(2)	—
Prior year UK corporation tax	**(227)**	**(2.8)**	(206)	(4)
Tax charge/(credit)	**1,082**	**13.25**	(1,685)	(36)

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

	2013 £'000	2012 £'000
Dealt with in the accounts of:		
– the parent undertaking	**(385)**	(6,516)
– subsidiary undertakings	**7,458**	3,568
	7,073	(2,948)

A reconciliation of parent company profit or loss is provided in note 30.

13. Dividends

Amounts recognised as distributions to equity holders in the period:

	2013 £'000	2012 £'000
Final dividend for the year ended 31 December 2012 of 9p per share (2011 of 9p per share)	**1,518**	1,518
Interim dividend for the year ended 31 December 2013 of 3p per share (2012 of 3p per share)	**516**	506
	2,034	2,024

The Directors recommend a payment of a final dividend for the year ended 31 December 2013 of 9p per share (2012 – 9p), following the interim dividends paid on 29 November 2013 of 3p per share. The final dividend of 9p will be payable on 31 July 2014 to shareholders on the register at the close of business on 20 June 2014 (Ex dividend on 18 June 2014). The full dividend for the year ended 31 December 2013 is anticipated to be 12p per share.

The shareholders will have the option of a scrip dividend for the 2013 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 £7,094,000 (2012 – loss of £2,898,000) and on 17,027,644 ordinary shares being the weighted average number of ordinary shares in issue during the year (2012 – 16,869,000). 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 2012	856	28	884
Additions	39	10	49
Disposals	—	(8)	(8)
At 1 January 2013	895	30	925
Additions	112	—	112
At 31 December 2013	**1,007**	**30**	**1,037**
Accumulated depreciation			
At 1 January 2012	374	21	395
Depreciation charge for the year	130	4	134
Disposals	—	(5)	(5)
At 1 January 2013	504	20	524
Depreciation charge for the year	123	4	127
At 31 December 2013	**627**	**24**	**651**
Carrying amount			
At 31 December 2013	**380**	**6**	**386**
At 31 December 2012	391	10	401

16. Investment property

	Investment Properties £'000
Fair value	
At 1 January 2012	136,491
Additions	11,385
Disposals	(405)
Transferred to stock properties	(500)
Transferred from stock	4,612
Fair value adjustment on property held on operating leases	6,540
Revaluation decrease	(4,967)
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 31 December 2013	**158,184**
Carrying amount	
At 31 December 2013	**158,184**
At 31 December 2012	153,156

At 31 December 2013, £115,119,000 (2012 – £114,616,000) and £43,065,000 (2012 – £38,540,000) included within investment properties relates to freehold and leasehold properties respectively.

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

	2013 £'000	2012 £'000
Cost of investment properties	**114,716**	111,325

The Group has pledged £143,006,000 of investment property (2012 – £139,419,000) 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 2013 amounted to £42,000 (2012 – £13,000).

The Group did not have contractual obligations at the statement of financial position date to purchase investment properties (2012 – £nil obligation at year end to purchase investment properties) but had a commitment to spend £nil (2012 – £40,000) on developing investment property. At the year end deferred consideration of £300,000 (2012 – £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 £12,258,000 (2012 – £10,139,000).

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 9.0%. Assuming all else stayed the same; a decrease of 1.0% in the average yield would result in an increase in fair value of £17,400,000. An increase of 1.0% in the average yield would result in a corresponding decrease in fair value.

The property valuations were all carried out internally by Directors, at 31 December 2013 and 2012, two of whom are members of the Royal Institution of Chartered Surveyors (RICS). The valuation methodology 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 base the 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 2013 this was a fair value gain of £742,000 (2012 – fair value loss of £4,967,000). The amount of realised gains or losses is shown as the profit/(loss) on disposal of investment properties within the income statement, for 2013 there was a realised gain of £385,000 (2012 – £241,000).

17. Subsidiaries

Details of the Company's subsidiaries at 31 December 2013 are as follows;

Name of subsidiary	*Country of incorporation and operation*	*Activity*	*Proportion of ownership interest %*	*Proportion of voting power held %*
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
M.R.G. 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 P.L.C./5% owned by Panther (Bromley) Limited

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

18. Investment in associate undertaking

The Group purchased 25%, being 150,000 ordinary shares of £1 each (newly issued share capital for cash) in Wimbledon Studios Limited for £150,000 in August 2010. The company operates as an independent film studio letting out sets and offices to media and television organisations. The entity operates out of a Group wholly owned property for which a market rental has been agreed.

In accordance with IAS 28 (revised 2008) – Investments in Associates, the Group has equity accounted for its share of the profits and losses and assets and liabilities of this entity.

The aggregated financial information of Wimbledon Studios Limited for the period ended 31 December 2013 is set out below:

	2013 £'000	2012 £'000
Profit and loss account:		
Revenue	**2,609**	2,051
Net loss for entity	**(832)**	(608)
Panther Securities P.L.C.'s share of net loss	**(208)**	(152)
Balance sheet:		
Non-current assets	**658**	420
Current assets	**358**	365
	1,016	785
Current liabilities	**(2,632)**	(1,570)
Net liabilities	**(1,616)**	(785)
Panther Securities P.L.C.'s share of net liabilities	**(404)**	(196)

In accordance with IAS 28 (revised 2008) Investment in Associates, where the Group's share of losses in the associate exceeds its equity investment, the carrying value of that equity investment is reduced to £nil and the remaining loss is taken against any further long term interest that in substance forms part of the investors net investment in the associate.

Accordingly, the £208,000 share of net loss referred to above has been allocated against the carrying value of the £622,000 overdraft provided by the Group to the associate as noted below.

Group transactions with associate:

	2013 £'000	2012 £'000
Rent receivable from associate recognised in year	**501**	445
Trade receivables and accrued income	**1,330**	787
Trade receivables and accrued income – overdue	**1,208**	532
Provision	**(1,208)**	(632)
Other receivables – overdraft facility drawn	**622**	400
Provision on overdraft	**(404)**	(196)

19. Available for sale investments (shares)

	Non-current assets £'000
Cost or valuation	
At 1 January 2012	2,597
Additions	356
Disposals	(955)
Impairment on revaluation through income statement	(222)
Movement in fair value taken to equity	(83)
Realised fair value on disposal previously taken to equity	68
At 1 January 2013	1,761
Impairment on revaluation through income statement	(522)
Movement in fair value taken to equity	(156)
At 31 December 2013	**1,083**
Comprising at 31 December 2013:	
At cost	529
At valuation/net realisable value	554
Carrying amount	
At 31 December 2013	**1,083**
At 31 December 2012	1,761

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 P.L.C. 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.

Price risk
For the year ended 31 December 2013 if the average share price of the portfolio was 10% lower there would be a further impairment charge in the year of £56,000 to the Income Statement and £nil of valuation movements charged to equity. Corresponding gains would be seen for a 10% uplift.

20. Inventories

	2013 £'000	2012 £'000
Stock properties	**1,450**	2,714

The cost of stock properties recognised as expense and included in cost of sales amounted to £nil (2012 – £nil). Impairments of £259,000 have been recognised against stock properties (2012 – £683,000).

The market value of stock properties is £2,965,000 (2012 – £4,310,000).

£2,665,000 of stock properties at market value have been provided as security for the bank loan from HSBC and Santander referred to in note 26.

The market value shown as at 31 December 2013 and 2012 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 accounts.

Trading stock

	2013	2012
	£'000	£'000
Inventories	**145**	263

Inventories relates to stock and work in progress for M.R.G Systems Limited's trade of electronic designers, engineers and consultants.

21. Capital commitments

	2013	2012
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the accounts	**–**	40

The above relates to building works.

22. Trade and other receivables

	2013	2012
	£'000	£'000
Trade receivables	**5,156**	3,894
Bad debt provision	**(2,470)**	(1,370)
Other receivables	**263**	336
Corporation tax	**123**	—
Prepayments and accrued income	**2,199**	1,669
	5,271	4,529

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 £6,930,000 (2012 – £5,673,000) (which relates to £3,072,000 (2012 – £2,860,000) 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.

22. Trade and other receivables continued

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 2012	851	117	968
Amount written off as uncollectable	(282)	—	(282)
Charge/(credit) to income statement	801	(37)	764
Balance at 1 January 2013	1,370	80	1,450
Amounts written off as uncollectable	(128)	—	(128)
Charge/(credit) to income statement	1,228	(18)	1,210
Balances at 31 December 2013	**2,470**	**62**	**2,532**

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 81.5p in the pound from an original balance of £343,000.

Amounts past due but not impaired:

	2013 £'000	2012 £'000
Current debtors (rental)	**2,373**	2,297
Overdue (rental)*	**—**	—
MRG Systems Limited**	**313**	227
	2,686	2,524

* More than one month

** Various terms up to 90 days

23. 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 22). Further information on the general Group's credit risk is detailed within the corporate governance section.

24. Share capital

	2013 £'000	2012 £'000
Allotted, called up and fully paid		
17,186,287 (2012 – 16,869,000) ordinary shares of £0.25 each.	**4,297**	4,217

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

During 2013 317,287 ordinary shares were issued in the period as a consequence of the scrip dividend.

25. Capital reserves

	2013 £'000	2012 £'000
Share premium account		
At 31 December	**3,750**	2,886
Capital redemption reserve		
At 31 December	**604**	604

26. Bank loans

	2013 £'000	2012 £'000
Bank loans due within one year	**3,170**	140
(within current liabilities)		
Bank loans due within more than one year	**68,760**	68,857
(within non-current liabilities)		
Total bank loans	**71,930**	68,997

Analysis of debt maturity	2013 £'000 Interest*	2013 £'000 Capital	2013 £'000 Total	2012 £'000 Total
Trade and other payables**:	**—**	**5,407**	**5,407**	4,382
Bank loans repayable				
On demand or within one year	**1,806**	**3,170**	**4,976**	1,909
In the second year	**1,731**	**3,140**	**4,871**	4,872
In the third year to the fifth year	**1,033**	**65,720**	**66,753**	68,551
After five years	**48**	**333**	**381**	580
	4,618	**77,770**	**82,388**	80,294

* based on the year end 3 month LIBOR floating rate – 0.542%, 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 £2,800,000 in 2013 (2012 – £8,500,000 drawn) on the revolving element of the facility the Group has £3,700,000 left undrawn at the year end.

The loan has repayments of £3,000,000 that are due on the third, and fourth anniversaries of drawdown and is fully repayable in July 2016.

26. Bank loans continued

The Natwest bank loan was £1,033,000 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.

27. 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
Liability at 1 January 2012	(151)
Debit to equity for the year	(26)
Credit to profit and loss for the year	1,851
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 31 December 2013	**720**

Deferred taxation arises in relation to :

Deferred tax

	2013 £'000	2012 £'000
Deferred tax liabilities:		
Investment properties	**(3,193)**	(3,775)
Deferred tax assets:		
Tax allowances in excess of book value	**460**	187
Available for sale investments (shares)	**521**	448
Derivative financial liability	**2,932**	4,814
Net deferred tax asset	**720**	1,674

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.

The UK government has enacted future changes to the Corporation tax rate which was 23% from 1 April 2013, these further changes will result in a 2% reduction in April 2014 and another 1% reduction to a standard rate of 20% in April 2015. As at 31 December 2013 the substantively enacted rate was 20% and this has been used for the deferred tax calculation.

28. Trade and other payables

	2013 £'000	2012 £'000
Trade creditors	**3,157**	2,650
Social security and other taxes	**779**	687
Other creditors	**1,313**	1,064
Obligations under finance leases (see note 32)	**564**	562
Accruals and deferred income	**3,513**	3,051
	9,326	8,014

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 £81,256,000 (2012 – £77,011,000) (includes payables above and the long term and short term borrowings).

29. 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 Interest is charged as to:	**2013 £'000**	**2013 Rate**	2012 £'000	2012 Rate
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	**(433)**		(683)	
Floating element				
HSBC Bank plc	**11,300**		8,500	
Natwest Bank plc	**1,033**		1,180	
	71,900		68,997	

Bank loans totalling £60,000,000 (2012 – £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.

29. Derivative financial instruments continued

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'	**2013 Fair value £'000**	2012 Fair value £'000
Derivative Financial Liability					
Interest rate swap	35,000	5.06%	24.69	**(10,599)**	(14,504)
Interest rate swap	25,000	4.63%	7.92	**(4,063)**	(6,201)
				(14,662)	(20,705)
Net fair value gain/(loss) on derivative financial assets				**6,043**	(777)

* Fixed rate came into effect on 1 September 2008. Rate includes 2% margin. The contract includes mutual breaks, the first one being 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 2013, 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 £110,000 lower (2012 – larger loss by £97,000). 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 Corporate Governance Report.

30. 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

	2013 £'000	2012 £'000
Profit/(loss) of parent company before intercompany adjustments	**5,984**	(651)
Add: Write off of intercompany debt (removed on consolidation)	**1,175**	400
Add: Impairment of investment in subsidiary/associate (removed on consolidation)	**180**	—
Less: intercompany dividends (removed on consolidation)	**(7,724)**	(6,265)
Loss attributable to members of the Parent undertaking as per note 12	**(385)**	(6,516)

31. Contingent liabilities

There were no contingent liabilities at the year end.

32. 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 £732,000 (2012 – £313,000).

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 £732,000 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)

	2013 £'000	2012 £'000
Payable within one year	**564**	562
Payable between one year and five years	**2,256**	2,248
Payable in more than five years	**43,956**	45,926
	46,776	48,736

32. Operating lease arrangements and obligations under finance leases continued

Anticipated rental income derived under non-cancellable operating leases
(Lessor)

	2013 **£'000**	2012 £'000
Payable within one year	**3,161**	3,055
Payable between one year and five years	**12,644**	12,220
Payable in more than five years	**247,887**	238,781
	263,692	254,056

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.

	2013 **£'000**	2012 £'000
Obligations under finance leases due within one year		
(included within current liabilities)	**564**	562
Obligations under finance leases due within one to five years	**1,871**	1,898
Obligations under finance leases due in more than five years	**5,150**	5,380
(included within non-current liabilities)	**7,021**	7,278
Total obligations under finance leases	**7,585**	7,840

33. Events after the statement of financial position date
There were no material transactions after the statement of financial position date.

34. 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 2013 the Group provided a further loan of £222,000, this means the total overdraft facility to the company is now £622,000. As discussed in note 18, the Groups £404,000 share of net liabilities has been allocated against the carrying value of the overdraft therefore showing a receivable of £218,000.

At the Statement of Financial Position date, the Group was also owed rent and insurance of £955,000 and £375,000 in relation to the rental of equipment and fixtures. All overdue debts have been fully provided against.

Included in other receivables Panther Securities P.L.C. has a loan to a director of Wimbledon Studios Limited of £62,500, in order for them to be able to purchase their shareholding in that company. The loan is unsecured for a maximum term of 3 years and attracts interest of 4% per annum. The fair value of this loan is assessed to be the same as its carrying value.

35. Approval of financial statements
The financial statements were approved by the Board of Directors and authorised for issue on 29th April 2014.

Parent Company Balance Sheet

Company number 293147

As at 31 December 2013

	Notes	2013 £'000	2013 £'000	2012 £'000	2012 £'000
Fixed assets					
Investments	37		**16,378**		17,236
Current assets					
Debtors	38	**106,518**		105,278	
Cash at bank and in hand		**3,239**		2,396	
		109,757		107,674	
Creditors: amounts falling due within one year	39	**(13,194)**		(10,714)	
Net current assets			**96,563**		96,960
Total assets less current liabilities			**112,941**		114,196
Creditors: amounts falling due after more than one year	40		**(67,867)**		(67,817)
Derivative financial liability	29		**(14,662)**		(20,705)
Net assets			**30,412**		25,674
Capital and reserves					
Called up Share Capital	42		**4,297**		4,217
Share Premium Account	43		**3,750**		2,886
Capital Redemption Reserve	43		**604**		604
Profit and Loss Account	43		**21,761**		17,967
Shareholders' funds			**30,412**		25,674

The accounts were approved by the Board of Directors and authorised for issue on 29th April 2014. They were signed on its behalf by:

A.S. Perloff
Chairman

Parent Company Cash Flow Statement

For the year ended 31 December 2013

	Notes	2013 £'000	2012 £'000
Net cash outflow from operating activities		**(4,184)**	(11,377)
Returns on investments and servicing of finance	44	**3,329**	2,128
Cash inflow from refinancing	44	**2,800**	8,031
Capital expenditure and financial investment	44	**—**	699
Tax paid		**(12)**	—
Equity dividends paid		**(1,090)**	(2,024)
Increase/(decrease) in cash in the year		**843**	(2,543)

	2013 £'000	2012 £'000
Reconciliation of operating loss to net cash flow from operating activities		
Operating loss	**(2,424)**	(1,631)
Increase in debtors	**(1,240)**	(10,088)
(Decrease)/increase in creditors	**(520)**	342
Net cash outflow from operating activities	**(4,184)**	(11,377)

36. Accounting policies for the Parent Company

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

36.1 **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.

36.2 **Revenue recognition**

Turnover comprises:

(1) Rental income from tenancy occupied properties net of Value Added Tax where appropriate: The income is recognised on an arising basis.
(2) Sale of stock properties: This is recognised on the date that exchange of contracts becomes unconditional.
(3) 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.
(4) Dividend income from investments is recognised when the Company's rights to receive payment have been established.

36.3 **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.

36.4 **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.

36.5 **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.

37. Fixed asset investments

	Shares in Group undertakings £'000	Associate undertaking £'000	Other investments £'000	Total £'000
Cost or valuation				
At 1 January 2013	15,325	150	1,761	17,236
Impairment through income statement	(30)	(150)	(522)	(702)
Movement in fair value taken to equity	—	—	(156)	(156)
At 31 December 2013	**15,295**	**—**	**1,083**	**16,378**
Investments:				
Listed	—	—	554	554
Unlisted	15,295	—	529	15,824
	15,295	**—**	**1,083**	**16,378**

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 2013, see note 17.

38. Debtors

	2013 £'000	2012 £'000
Due within one year		
Trade debtors	**382**	206
Corporation tax	**57**	—
Amounts owed by Group undertakings	**105,835**	104,579
Other debtors	**218**	472
Prepayments and accrued income	**26**	21
	106,518	105,278

For further details on the Company's policy for debtors see note 22.

The total financial assets included within the financial statements of the Company at amortised cost are £109,732,000 (2012 – £107,653,000) (which includes items within debtors above and the Company's cash).

39. Creditors:
Amounts falling due within one year

	2013 £'000	2012 £'000
Trade creditors	**68**	52
Amounts owed to Group undertakings	**9,592**	10,151
Bank loan	**3,000**	—
Social security and other taxes	**30**	33
Other creditors	**65**	85
Accruals and deferred income	**439**	393
	13,194	10,714

For further details on the Company's policy for creditors see note 28. Liabilities included within the financial statements of the Company at amortised cost total £81,061,000 (2012 – £78,531,000) (includes certain items within creditors shown above and the long term borrowings). Further information on the bank loan facility is available in note 27.

40. Creditors:
Amounts falling due after more than one year

	2013 £'000	2012 £'000
Bank loans	**67,867**	67,817

41. Deferred taxation

The following potential deferred taxation asset is not recognised:

	2013 £'000	2012 £'000
Potential capital losses	**521**	448
Fair value of financial instruments	**2,932**	4,814
	3,453	5,262

42. Called up share capital

	2013 £'000	2012 £'000
Authorised		
30,000,000 ordinary shares of £0.25 each	**7,500**	7,500
Allotted, called up and fully paid		
17,186,287 (2012 – 16,869,000) ordinary shares of £0.25 each	**4,297**	4,217

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

During 2013 317,287 ordinary shares were issued in the period as a consequence of the scrip dividend.

43. Reserves

	Share premium £'000	Capital Redemption £'000	Retained earnings £'000
Balance at 1 January 2012	2,886	604	20,657
Loss for the year	—	—	(651)
Movement in fair value of equity investments taken to equity	—	—	(83)
Realised fair value on disposal of equity investments previously taken to equity	—	—	68
Dividend	—	—	(2,024)
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 31 December 2013	**3,750**	**604**	**21,761**

Within retained earnings are unrealised gains of £nil and a deferred tax credit of £521,000 (2012 – unrealised gains of £156,000 and a deferred tax credit of £448,000) reserves relating to fair value of available for sale investments (shares).

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

	2013 £'000	2012 £'000
Returns on investments and servicing of finance		
Interest received	**6**	6
Interest paid	**(4,416)**	(4,194)
Income from investments	**7,739**	6,316
Net cash inflow for returns on investments and servicing of finance	**3,329**	2,128
Cash flows from refinancing		
Payment of loan arrangement fees and associated costs	**–**	(469)
New loans received	**2,800**	8,500
	2,800	8,031
Capital expenditure and financial investment		
Purchase of fixed asset investments	**–**	(356)
Sale of fixed asset investments	**–**	1,055
Net cash inflow for capital expenditure	**–**	699

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

	At 1 January 2013 £'000	Cash flow £'000	Non-cash items £'000	**At 31 December 2013 £'000**
Net cash:				
Cash at bank and in hand	2,396	843	—	**3,239**
Debt:				
Due within one year	—	—	(3,000)	**(3,000)**
Due after more than one year	(67,817)	(2,800)	2,750	**(67,867)**
	(65,421)	(1,957)	(250)	**(67,628)**

45. Other commitments

At 31 December 2013 the Company had annual commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2013 £'000	2012 £'000
Expiry date:		
Between 1 and 5 years	**11**	22

46. 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 the Company provided a £622,000 (2012 – £400,000) overdraft facility.

Included in other debtors Panther Securities P.L.C. has a loan to a director of Wimbledon Studios Limited of £62,500 (2012 – £62,500), in order for them to be able to purchase their shareholding in that company. The loan is unsecured for a maximum term of 3 years and attracts interest of 4% per annum. The fair value of this loan is assessed to be the same as its carrying value.

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

47. Risk management

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

Notice of Annual General Meeting

Panther Securities P.L.C. and subsidiaries

Notice is hereby given that the 80th Annual General Meeting of Panther Securities P.L.C. will be held at Nexia Smith & Williamson, 25 Moorgate, London EC2R 6AY on 18 June 2014 at 11.30 a.m. for the following purposes:–

As Ordinary Business

1. To receive and adopt the Directors' Report, Remuneration Report and Financial Statements for the year ended 31 December 2013.

2. To authorise the payment of a final dividend of 9.0p per ordinary share.

3. To re-elect (biographical details are available in the Corporate Governance report):

    i. S. J. Peters who is retiring by rotation, as a Director.

    ii. J. T. Doyle who is retiring by rotation, as a Director.

4. To re-appoint the auditors Nexia Smith & Williamson and to authorise the Directors to determine their remuneration.

    To consider and, if thought fit, pass the following resolution as an Ordinary Resolution of the Company:–

5. 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):

    (i) 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 conclusion of the Annual General Meeting of the Company to be held in 2014 (unless previously revoked or varied by the Company in general meeting); and

    (ii) This authority shall (unless previously revoked or renewed) expire two years after the date of the passing of this resolution.

    (iii) this resolution revokes and replaces all unexercised authorities previously granted to the directors pursuant to section 80 Companies Act 1985 but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to made pursuant to such authorities.

As Special Business

To consider, and, if thought fit, pass the following resolutions of which will be proposed as special resolutions:

6. That, subject to the passing of resolution 1 set out in the Notice convening this Meeting, the Directors are empowered in accordance with section 571 Companies Act 2006 to allot equity securities (as defined in section 560 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, as if section 561 (1) Companies Act 2006 did not apply to any such allotment, provided that the power conferred by this resolution shall be limited to:

    (i) the allotment of equity securities in connection with an issue or offering in favour of 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;

(ii) the allotment (otherwise than pursuant to paragraph 2.1 above) of equity securities up to an aggregate nominal value not exceeding £211,838; and

(iii) the power granted by this resolution, unless renewed, shall expire at the conclusion of the Annual General Meeting of the Company to be held in 2015 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.

7. 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:–

(i) The maximum number of shares which may be purchased is 2,500,000 ordinary shares;

(ii) 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

(iii) 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.

8. That the directors be authorised to make a payment of up to £17,500 by way of donation to the UK Independence Party.

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

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

Dated: 29th April 2014

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 proxy form is enclosed. Completed forms must be deposited at the address shown on the form not later than 48 hours before the meeting.

3. 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.

4. No Director is employed under a contract of service.

Ten Year Review

	2013	2012	2011	2010	2009	2008	2007	2006	2005	2004
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
						(restated)				
Rental income	**12,502**	10,781	8,961	7,717	7,380	7,064	7,526	7,510	8,099	9,194
Revenue/turnover	**14,319**	12,673	11,940	10,085	9,251	9,296	9,516	9,722	8,498	9,194
Profit or (loss) before tax	**8,155**	(4,633)	(2,312)	6,401	2,953	(14,331)	9,089	9,269	26,549	7,632
Earnings or (loss) per ordinary share	**41.7p**	(17.2)p	(5.1)p	34.8p	14.7p	(57.3)p	44.3p	43.5p	121.3p	35.8p
Dividend per ordinary share*	**12.0p**	12.0p	12.0p	15.0p**	12.0p	12.0p	12.0p	12.0p	20.0p**	8.0p
Employment of finance:										
Non current assets/ Fixed assets	**160,373**	157,000	139,585	116,099	101,412	100,907	107,005	106,593	103,301	91,500
Current assets less current liabilities	**(2,014)**	1,893	9,017	(30,308)	21,123	21,808	16,532	16,030	21,903	24,544
Total assets less current liabilities	**158,359**	158,893	148,602	85,791	122,535	122,715	123,542	122,530	125,204	115,950
Financed by:										
Shareholders' funds (net assets of the group)	**67,876**	61,992	66,955	71,222	68,010	65,846	78,608	73,269	67,632	49,871
Long-term borrowings	**68,760**	68,857	60,252	1,325	43,970	42,500	35,011	36,989	46,562	58,925
Derivative financial liability	**14,662**	20,705	19,928	9,293	6,744	12,021	575	—	—	—
Deferred tax/(asset)	**(720)**	(1,674)	151	2,648	2,670	2,290	9,321	12,272	11,010	7,154
Net assets attributable to ordinary shares per 25p ordinary share	**395p**	367p	397p	422p	403p	390p	465p	431p	398p	293p

* Based on those declared in the financial year

** Includes special dividend

Shareholder Notes

Shareholder Notes

PANTHER
SECURITIES PLC

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