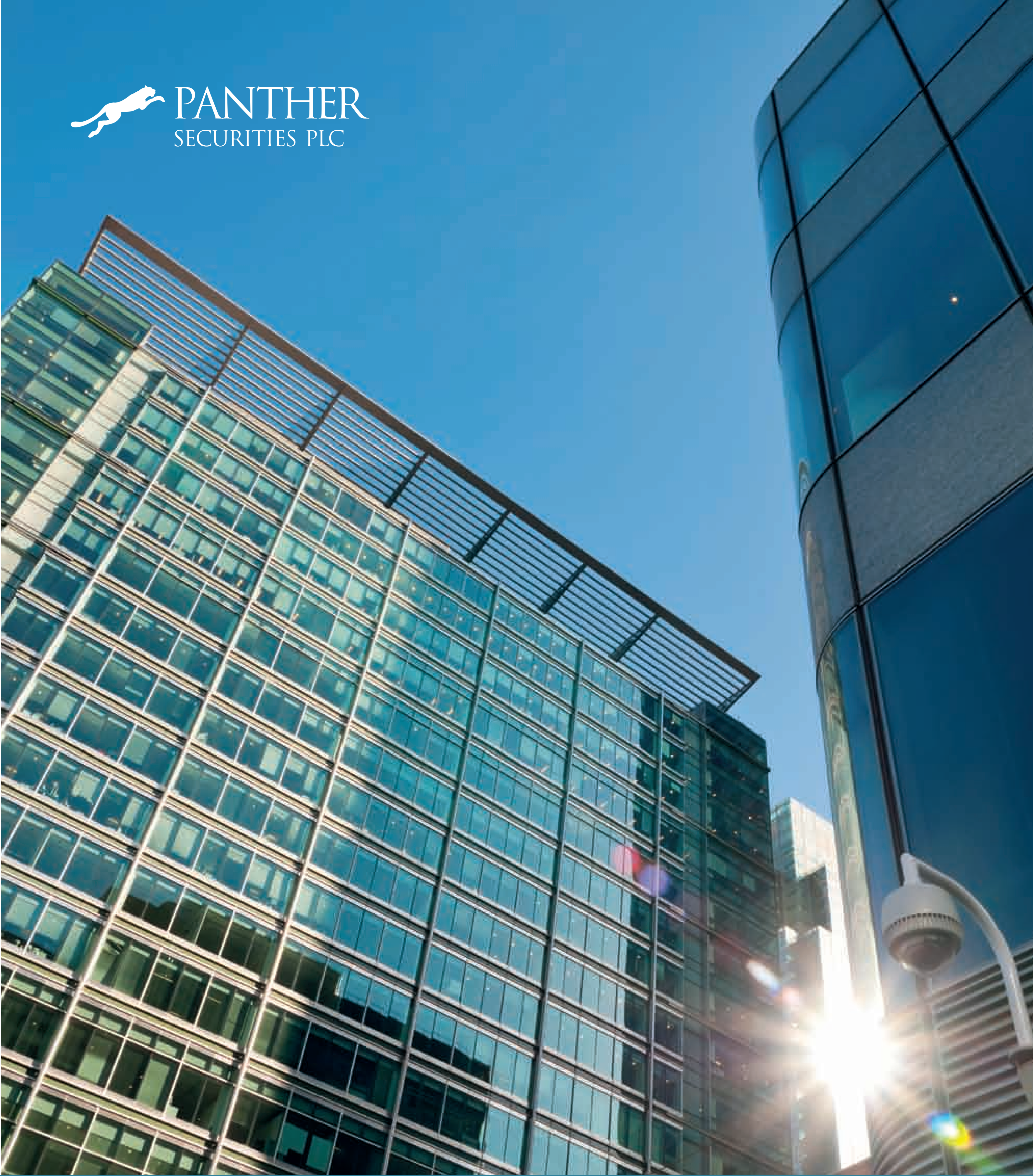
PANTHER
SECURITIES PLC



ANNUAL REPORT & FINANCIAL STATEMENTS 2015

Company number 293147

The Year in Brief

	2015 £'000	2014 £'000 Restated
Revenue	**14,443**	14,832
Rent receivable	**12,840**	12,512
Profit before tax	**8,470**	4,377
Total comprehensive income for the year	**6,852**	4,650
Net assets of the Group	**76,097**	71,554
Earnings per 25p ordinary share – continuing operations	**38.7p**	26.8p
Dividend per ordinary share (based on those proposed in relation to the financial year)	**22p***	12p**
Net assets attributable to ordinary shareholders per 25p ordinary share	**428p**	409p

* 9p was paid in 2015, 10p (special dividend) was paid in 2016 and 3p proposed.

** 3p was paid in 2014 and 9p paid in 2015

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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	Santander Corporate Banking 2 Triton Square, Regents Place, London, NW1 3AN
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Nomad, Financial Advisers and Joint Brokers	Allenby Capital Limited 3 St Helen's Place, London, EC3A 6AB
Joint Brokers	Raymond James Investment Services 77 Cornhill, London, EC3V 3QQ
Registrars	Capita Registrars The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
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* Member of Audit Committee
** Member of the Audit Committee and Remuneration Committee

Chairman's Statement

I am pleased to report our results for the year ended 31 December 2015. The profit shown on our consolidated income statement before tax amounts to £8,470,000 compared to £4,377,000 of the previous year ended 31 December 2014. The big difference is in relation to property revaluations (much higher in 2014) and movements on derivative financial liabilities (very large loss in 2014).

Results

Our revenue was £14,443,000 compared to a restated £14,832,000 last year, which both now include the results of our 75% owned high tech subsidiary, MRG Systems Limited.

The largest part of revenue, our rents receivable during the year was £12,840,000 compared to last year's £12,512,000, which is moving in the right direction as a result of a number of changes in our tenanted portfolio.

This substantial jump in Group profits was mainly due to the increase in value of our investment properties of £3,859,000 (2014: £13,110,000) as revalued by the independent surveyors, G L Hearn Limited, who valued our entire portfolio. Also, at the year end there was an improvement in our "swaps liability" of £1,563,000 (2014: a loss of £9,813,000).

There were also profits of £1,074,000 from our property disposals during this year. These realised profits were in addition to the book values that had seen large increases in the previous year.

Disposals

Barrhead, Glasgow

A small site in Barrhead, Glasgow sold for £236,000. Although a small loss on valuation, this was a vacant former garage site that had never produced a rental income for us, but was nevertheless a profit on our original cost.

Stonehouse, Gloucestershire

We sold a freehold vacant factory at Stonehouse for £275,000. This warehouse was attached to the 12,000 sq ft freehold offices occupied by our subsidiary MRG Systems Ltd and thus the sale released space not required or used by them. MRG also benefits from having less overheads caused by the unfair burden of vacant rates.

Wembley

We sold two freehold factories on our Wembley estate to one of the occupying tenants. The price achieved was £3,500,000 for 26,000 sq ft of factory space which produced £152,500 pa. This price was considerably above last year's valuation and approximates to what we paid for the whole of our Wembley estate some years ago. We still own about 65,000 sq ft which is fully let, with an income of £334,130 which we expect to continue to rise.

Beale Limited (Previously Beale Plc) "Beale"

In March 2015, we sold our shareholding in Beale to a private company controlled by my family company. The sale realised £244,000 cash for Panther, which was a loss of £244,000 on its book value. I explained the reasons for this necessary sale, in detail in my statement last year, under post balance sheet events and will not repeat all of this detailed information.

In November 2014, the then board of Beale approached us to discuss "possible ways forward for the benefit of all stakeholders in Beale, which was expecting a cash crunch sometime during early 2015". The final result of these discussions was my family's successful bid that provided Beale shareholders with some value for their shares and the company with an extra £2,000,000 working capital. This allowed Beale, a severely loss making company at the time to reorganise its management, saving at least £1,000,000 per annum by no longer being a public listed company, including a board costing around £600,000 pa, plus bonuses, and removing all the extra costs of special advisers that were required for a listed corporation.

However, after a year of reorganisation it became apparent that despite excellent initial cost cutting measures, unfortunately, due to continued flat retail sales, there would need to be some form of financial reconstruction to remove a number of the historical contractual rental liabilities. The loss making stores needed to be restructured, as turnover had declined substantially in these locations, because of changing retail patterns while rents had remained contracted at historical highs of the boom period some ten years or more earlier.

Thus in March 2016, it was the decision of the new board of Beale, after taking expert advice, to enter their trading subsidiary into a Creditors Voluntary Arrangement (CVA). Although the proposal was required to be put to all creditors, due to its drafting, it only financially affected landlords of loss making stores, whereby the Beale trading company could reduce rents payable on a number of the loss making stores and also arrange to exit these stores, after an agreed time period (to allow affected landlords to re-let or make alternative arrangements for their properties). When the CVA was voted through by its creditors it became legally binding on all the landlords affected.

Obviously, only those stores that had severe losses, due to the aforementioned reasons, were compromised. I am pleased to say that only two of the Panther Group's twelve properties let to Beale were loss making and thus affected. Panther will lose approximately £200,000 in 2016 until their trading improves or we find alternative tenants to occupy the properties that Beale cannot support. I believe there will be little rental loss to us in due course when these problems are resolved.

This financial restructuring should also give Beale a good chance of recovering to its former self, a well-loved, long established profitable department store group, benefitting all its "stakeholders" of 1200 staff, plus the 115 concessionaires and their own 1000 staff, suppliers, pensioners, landlords and of course the "Taxman" in its many and various guises.

When the Beale group becomes profitable its covenant will be much enhanced and will likely cause an increase in the investment value of the portfolio of freehold properties owned by the Panther Group and let to Beale.

A final note on this particular situation is that if the government had not pursued its continued policy of turning a blind eye to the excessively high property taxes and for its continuation by deliberately deferring a rates revaluation for two years and also for the continuation of the Labour policy continuing ludicrous charging of vacant rates, Beales's situation (and probably many other groups in a similar position i.e. steel industry) could have been alleviated. Beales, although loss making for some years, were paying (and still do) almost £4,500,000 per year in property taxes alone!!!

Development Progress

Holloway Head, Birmingham

This site received full planning permission in November 2015 for 487 residential units and approximately 5,000 sq ft of commercial space. The planning permission includes a separate building owned by the Girl Guides with whom discussions are in place to rehouse them in a new building more suited to their current requirements than the 50 year old building that was opened in 1966 by Princess Margaret, which they currently occupy. However, the scheme provides for development of our site alone if necessary. Our advisers are currently negotiating extensions to our two existing 100 year leaseholds at nominal ground rents on 40% of the site, the freehold of which is owned by Birmingham City Council. When this is agreed, the development site will be put up for sale or considered for a joint development with a more substantial and experienced major residential developer.

Whilst I believe the London flat market may be stalling due to the often high asking prices in London, which restricts their marketability, Birmingham has no such current problem due to it being far more affordable and thus also suitable for the buy to let market, despite the added taxation recently placed upon it.

With many large companies moving to Birmingham and creating new office requirements, plus potential residential occupation requirements in the UK's second largest city, we consider strong demand should continue for much longer than central London.

Bruce Grove, Wickford

There has been a delay in dealing with this site with permission for 49 houses, as one of the other parties to a sale needs to find alternative premises for the continuation of its business. However, it is likely the site value for this potential residential development will have risen, giving more leeway to assist with the move.

Old Inn House, Sutton

The entire upper part of this property consisting of 18,000 sq ft of offices, which had been mainly vacant for many years, was sold with the benefit of Permitted Development Rights for conversion to 28 flats. We retained the valuable long leasehold of the ground floor (999 years) at a peppercorn rent with fully occupied retail sub tenants producing £129,000 p.a. The price realised was £3,900,000 but was subject to certain conditions, and only completed early in 2016. The profits are not included in the accounts for the year ended 31 December 2015.

High Street, Orpington

Despite receiving Permitted Development Rights to convert this entire upper part of circa 15,000 sq ft to 21 residential units it became apparent that it was more profitable to re-let as offices, which are now nearly fully let. The five ground floor shops are currently under negotiation for letting as a single unit to a multiple retailer with an excellent covenant.

Victoria Street, Wolverhampton

This cleared site with permission for 8,000 sq ft of retail space and 44 student units is still being marketed with some interest. It may alternatively produce a reasonable return on book value if used for car parking, pending a suitable occupational tenant.

High Street, Bromley

We have been dealing with the Local Authority in respect of our planning application for redevelopment of part of our property holdings in the northern High Street. To me, it should seem a comparatively simple planning matter, where we retain the façade and rebuild the poorly utilised temporary buildings that occupy the large rear part of the site. The scheme would produce a larger modern shop unit and 24 much needed residential apartments. So far, it has taken about two years, with constant additional costly information requirements.

Peckham Rye

Similarly, a parade of poor quality single storey shops, way past their useful life, has taken nearly two years to agree a potential redevelopment with the planners for a new 6,000 sq ft retail unit and an attractive residential upper part of about 15 flats. Again, desperately needed in the locality. In due course, when permission is granted, this should produce profits over and above its current book value.

For many years, we have always tried to cooperate with the various planning departments we deal with, in an attempt to agree, firstly, an acceptable scheme within the planners current brief and taste and secondly, viability to produce a profit for us i.e. make it worthwhile attempting! It is probably worth noting our sites are nearly always on what is currently called “brownfield” land i.e. ideal for redevelopment.

I am coming to the conclusion that it may be better to submit a scheme without consultation and immediately after the statutory two months period has passed, submit a planning appeal, thus going to a higher authority. At present, the Local Authority usually requests extra time to consider applications and one feels compelled to provide it. This usually stretches to two years or more, for even the most uncontroversial developments. Also, whilst the Local Authority prevaricate they are very forceful in making you pay the business rates for the vacant premises, held vacant sometimes anticipating planning permission but more often beyond its useful life. This is a scandal that any other sensible government would be able to deal with.

Approximate Résumé of our Portfolio

The Panther Group owns 133 separate locational blocks of property, from a single shop unit to a parade of up to (in one case) 44 adjoining units, or alternatively, an industrial estate of a number of separate units. We currently have about 840 separate tenants.

The Panther Group portfolio comprises:

Retail space	1,600,000	sq ft
Industrial space	1,100,000	sq ft
Office space	380,000	sq ft
Residential space (about 90 flats)	60,000	sq ft
Total	**3,140,000**	sq ft

Producing approximately per annum:

Retail	£8,500,000	
Industrial	£3,600,000	
Office	£700,000	
Residential space	£450,000	
Total	**£13,250,000**	per annum

We also own 52.5 acres of freehold practically virgin land with varying levels of potential for development. Additionally, we have over £1,250,000 per annum of potential income if all of our vacant space was let.

The approximate total current rateable value of our portfolio is about £14,900,000.

Tenant activities during the year end 31.12.2015

During this year we gained 79 new tenants producing £1,018,000 pa (27 residential and 52 commercial). We lost 45 tenants producing £678,000 pa (16 residential and 29 commercial). Thus the net effect produces an extra £340,000 per annum on an ongoing basis.

Political donations

Once again, I have requested a resolution be submitted at the forthcoming AGM to give £25,000 for financial support to the UK Independence Party. Whether you agree with all of their views or do not, it is obvious they have forced the establishment to give the entire country the right to choose whether to stay in or out of the European community. The two major parties are much of a muchness, when it comes to most things that effect and concern everybody's normal lives and to have a third party snapping at their heels, with more populist views, makes all politicians and bureaucrats more responsive to the people's actual wishes. I have suggested that we would be better off out of the European political experiment, which I will expand upon in my ramblings.

Events after the reporting date
Old Inn House, Sutton

I have mentioned earlier the sale of the office element of Old Inn House, the negotiations and contracts for which straddled the year end with its final completion in 2016. I would reiterate it was an excellent sale at £3,900,000 for the loss of little net income.

Lord Street Properties (Southport) Limited

The cash raised from the sale of Old Inn House facilitated the acquisition of Lord Street Properties

(Southport) Limited announced on 8 March 2016, but substantially repeated here for those of you who do not see all regulatory announcements:-

“Panther announces that it has acquired Lord Street Properties (Southport) Limited, a company established as owners of Broadbents Department Store in 1896 which was in the same family until the trading operations were transferred to the Beale group in 1990 with Lord Street Properties retaining the freehold interest. This company subsequently acquired the Wayfarers Arcade freehold, which is the prime arcade in Lord Street, Southport and reputed to be one of the finest Victorian arcades in the country.

With the adjoining properties in Lord Street, which are currently occupied by a Beale department store and owned by Panther, the freehold properties contain approximately 75,000 sq ft of retail and ancillary space on a site of about 2 acres most of the property being listed. To the rear of the site there are two car parks, for the use of customers of the store and arcade and a separate warehouse rented by Beale.

The properties produce a gross income approaching £650,000 of which approximately one third is derived from the Beale department store. The Arcade contains forty eight units of which eight are vacant with a potential extra value of £85,000 per annum.

Panther has a close relationship with Beale and knows that this is a profitable store. The price paid for Lord Street Properties (Southport) Limited, which has no debts, will be approximately £4,500,000 including costs and was paid out of Panther’s free cash generated from previously announced property disposals.”

Queens Road, Southend

This vacant freehold triple shop and upper parts was sold for £1,050,000 on 18 March 2016. Whilst this is reasonably well over the book value but only slightly over original cost, it was considered a useful sale of a non-income producing asset.

Dividends

The Directors recommend and anticipate paying a final dividend for the year ended 31 December 2015 of 3p per share to be paid on 5 September 2016 to shareholders on the register at the close of business on 19 August 2016 (Ex-dividend on 18 August 2016) which is subject to shareholders approval. This is on top of the interim dividend of 9p per share paid on 27 November 2015 and the special dividend of 10p per share paid on 31 March 2016, both in relation to the year ended 31 December 2015, making a total of 22p per share for the year.

Finance renewal

On 19 April 2016 we completed the renewal of our £75,000,000 joint facility with HSBC and Santander for a further 5 year term. This loan also gives us the option of drawing a further £10,000,000 with bank approval. In total we potentially have an additional £15,500,000 extra purchasing ability. The loan is better in most aspects than its predecessor including keener margins, lower arrangement and non-utilisation fees.

Those of you who are relatively long term shareholders will be aware that we got quite a shock in 2011, when on renewal, we went from a 26 page loan document to a 160 page one, with numerous extra requirements and covenants. Given that it is the same parties and banks with whom we have had a very good working relationship for 30 years and 5 years respectively, the same size loan and pretty much the same properties, I anticipated this would have been a straight forward simple exercise.

Oh how naive I am – it was even more long and drawn out than last time. Following us reaching an amicable agreement of the major terms in August 2015 with our relationship team, we had a process that involved circa 2,000 emails, 248 days, 200 signatures, 18 lawyers in

8 law firms, 7 bankers, 6 conference calls, 5 meetings, 2 credit committee meetings and 1 large table full of ancillary documents, we now have our brand spanking new 222 page loan document that probably only two people understand.

Luckily I no longer personally deal with the detail, but we all owe a special amount of gratitude to Simon Peters and John Doyle who (with their departments) shouldered most of the awesome burden of providing (for a second time) all the information required and checking that the facility provided our correct workable requirements.

I seem to recall the days when your bank provided you with a standard printed document with blank spaces for you to provide the vital details i.e. address, title number, borrower and terms and after your own solicitor prepared a report on title for the bank it was signed by both parties within three or four weeks. But perhaps I dreamt that.

Prospects

Last year I felt there was optimism in the market, which became justified by our increasing successful activities, both with improving lettings and profitable sales of properties, together with continued progress this year, sufficient to pay a special dividend of 10p per share. Whilst London may slow down its activity level, everywhere else seems to be catching up, even if not to such astronomic price levels. Should the rating revaluation commence in April 2017, at the correctly adjusted values (based on market values as at April 2015), there will be an added impetus for commercial activity everywhere outside the M25.

In last year's Annual Report, I suggested the property market was showing signs of improvement outside London and we were beginning to reap the benefit of this. In the circumstances, we decided to cash in some of our chips to realise cash funds to take advantage of any future special opportunities that may come our way and this is still the case.

Finally, I would like to thank our small but dedicated team of staff, growing team of financial advisers, legal advisers, agents and accountants for all their hard work during the past year, which has been even more demanding than usual and of course, our tenants, most of whom pay their rents and excessive and high unfair business rates.

Andrew S Perloff
Chairman

27 April 2016

Chairman's Ramblings

Six months ago my brother received a letter from Barking Council threatening him with an ASBO (which stands for Anti-Social Behaviour Order) if he did not stop his anti-social behaviour.

I was astonished, firstly, because not only is he an extremely law abiding and sociable person but he has lived abroad for many years. This was obviously something which needed further investigation.

Astonishingly and surprisingly a few months later Bristol Council wrote to me jointly with my wife, also threatening us with an ASBO which of course could mean a substantial fine or even a prison sentence.

This was worrying, as maybe the local Authorities had been informed that we Perloff's were a crime family whose activities should be closely monitored. I delved into my memory bank to see what on earth could have given them this idea. The only possibility was that sometime in the 1930's, my father and his two brothers owned a small row of houses in Valence Road, London E1, which were subject to a CPO for a nominal sum by the government of the day, on the grounds they were slum properties. More importantly, some of you will be aware that those notorious gangsters the Krays lived there some years later. As is often the case, perhaps the local authorities had got us confused.

The reason for my brother's ASBO, is that he owned a parade of shops and upper parts, all let on ground rents, where the tenants have the substantial interest and were responsible for everything, and were able to sublet as they wish but also owning a rear service road and a number of lock up garages. It became apparent that the upper parts were increasingly being sublet as flats on short term lettings and each time they were newly occupied, the tenants or their landlords would dump their old rubbish in the service road. We explained to the council and succeeded in obtaining separate dustbins for all residential units.

However, the service road was open at night giving illegal dumpers the opportunity to dump rubbish in front of the garages or on the service road. We erected strong metal gates at some cost at either end of the service roads and shortly thereafter scrap thieves stole one pair of the gates. The new ones were more secure, with huge padlocks, which were subsequently broken with bolt cutters and the dumping continued, although the residential units became less of a problem.

With regard to Bristol Council threatening my wife and myself to an ASBO, it was a similar situation but less problem case. A single freehold shop amongst four or five others, where we owned the freehold, let on a ground lease with the tenant responsible for everything, as they have the major interest. The property title also included the freehold of the service yard. This was very obviously used by all the shop traders and no doubt, the rubbish would have been dealt with by them if asked. However, the council's first reaction is to issue landlords/owners with drastic threatening legislation that was not intended for these situations.

What the council are actually doing is trying to punish the victims of a crime, i.e. dumping, when they have failed to either protect or catch the criminals involved, even when evidence is available.

The original idea of ASBOs was to prevent feral gangs of youngsters making life unbearable for their neighbours on big estates. The Local Authorities have once again misused their powers, as they see it as an easy way out and seem to have an anti-Landlord tendency.

Commercial business rates of about £25 billion per year are paid by owners or occupiers. One may ask what they receive in return.

Protection from theft including shoplifting? – NO

Protection from vandalism and graffiti? – NO

Protection from rubbish dumpers? – NO

Protection from petty theft of building materials like lead or copper wire from existing buildings (which although low value is expensive to remedy)? – NO

Provision for sufficient suitable car parking for shoppers? – NO

I suppose one could call an ASBO – **Absolutely, Senseless, Bureaucratic, Officialdom**.

Being called anti-social reminds me of another story from my past. Some forty five years ago, when I first got married (with hindsight a little too hastily), my new wife and I moved from south London to north London and within a year or two had a new group of friends, who lived in the area.

Our social group revolved around maybe six to eight other like-minded, young married couples.

We and our new friends soon fell into a routine of visiting different restaurants nearly every weekend. Sometimes the restaurants were modest affairs, occasionally the latest "in place". I enjoyed and indeed still enjoy my food and therefore it rarely mattered to me where we went. At the end of the meal the bill was split equally between the couples, whatever anyone had ordered.

At that time, the property market was booming and I was doing well. However, a few years later, just after the property crash of the mid-seventies, times were much harder and whilst I cut back where I could, our social life continued only slightly abated.

Due to my reduced circumstances, I gradually began to notice that some of our friends were much more lavish in their choices, than we were. They would order a number of preprandial cocktails, often the more expensive choices on the menu together with the finest wines with cigars and liqueurs to finish. I couldn't help but notice that they often seemed to run out of cigarettes and order a pack to be put on the bill.

If I had not at that time been having personal cash flow problems of my own, I may not have taken any particular notice of the fact that these lavish diners were most certainly not so lavish, when they footed the bill themselves. The fact that my then wife and I hardly drank and did not smoke, caused me to have a serious quandary as I liked this group of friends but they did not seem to realise that their actions were unreasonable. The final straw came when one of our friends, who had a high-flying job with a big corporation, asked if he could pay on "his" card and we give him our share in cash, which was how we usually paid but he had done this before. I looked at his card and said "it's your company card, so are they paying for us". He made an excuse saying he had forgotten to take cash out that day and that his personal expenses were sorted out by the company every month.

I know readers are wondering where this is leading me to. Well, I suspect there are many people like this, who are very happy to share big expenses they incur but cannot really afford out of their own income. Nevertheless, it is only human nature to take advantage of financial situations that come your way.

This quite easily leads me on to why I believe we should support the UK Independence Party and its wish to exit the European Union. After all, if you break it down to its simplest component, it is only like my dining club but with 28 members all jostling to take advantage of some other country picking up the bill for its own choice of largesse.

I believe Britain is the second largest payer into the pot after Germany. We chip in about £10 billion and probably pay out an extra £20 billion in costs, not entirely necessary for our country. We buy far more of their products than they buy from us. I suspect the figures are worse than our Europhile bureaucrats inform us, as a proportion of British exports go to the big European ports for re-export to outside of the European Union, but are almost certainly included in our exports reported as to the European Union.

With bureaucrats, so much is smoke and mirrors to deceive the majority of the population because it suits bureaucrats to be part of government that is not answerable to its electors. The European budget expenditure has not been signed off as true and accurate for nearly twenty years. If any public company had such a damning audit so often, they would be de-listed and quickly be out of business thereafter.

You do not have to be clever to see the problems arising from the policies we are tied to. If we cannot control our borders, our very small country and England, in particular, will find itself with another 2.5 to 3.5 million people taking up residence here. We cannot house this extra population. We could probably almost house our existing population if more sensible planning rules were applied, but new homes would never arrive as fast as financial migrants.

Our schools are under pressure from extra children arriving. On numbers alone, it is a problem ignoring the fact that many need extra attention, as English is not their first language.

Our health service is under enormous pressure due to constantly increasing demands

Our roads are overcrowded and an unduly growing population can only make it worse. Our public transport system, on the few times I use it, seems to work well but is heavily crowded (I am astonished how it does not make huge profits). It is not easy and also very expensive to increase capacity.

With a generous and easily manipulated social security system, where you are offered a home, an income, which is now guaranteed to rise, health cover, education for your children and if you have a low paying job, your income is generously topped up – it is easy to see why this country attracts so many. This is all being provided by a country that spends £70 billion a year more than it receives in taxes. The tax rates are already high and together with the ever widening extent of them are driving some of the most successful people out of the country to less confiscatory regimes, leaving a bigger burden on those remaining.

There is much talk of job losses, should we leave the EU. There is only one worry people should have and that is if we stay in. Our free healthcare, free education system (until University, which then is a free choice), our state financial protection benefits etc., will break down under the weight of the extra 2 to 3 million possibly 4 million people arriving over the next five years. The cracks in the system are already visible and can only become more evident over the coming years.

At present, the country is maintaining its system by way of a mountain of debt, with deliberately and artificially constrained low interest rates. When these rates rise, as they must in due course, this country's largesse will be even more difficult to maintain. Why make it worse by staying in a Club that allows every one of its 500 million members to take advantage of one of the most generous and more successful member countries.

My Chairman's report mentions the CVA for Beale and I have already told you it was approved. Basically, all creditors were entitled to a vote per pound of debt. It is simple for suppliers etc., whose debt was easily established. However, for landlords where they have different term contracts and rents and additional liabilities there are approved formulae to value their interest and potential loss, if the lease is compromised with a lower rent or extinguished before its contractual term.

In this particular CVA, only landlords have been compromised and even then only those properties where the trading continues to make losses in their units. It is normally expected that some landlords, who will be losing out in the arrangement, will vote against the CVA, but as the profitable stores would have no change, these landlords would vote in favour.

This successful CVA allowed all suppliers to be paid in full and have a continued relationship with the group and thus virtually all votes were in favour. To the extent that 92% voted in favour of the CVA arrangements and as only 75% were needed, it was approved. This meant the favourable change in Beale lease terms became legally enforceable.

If it had failed to be approved, most creditors would have received pennies in the pound on their debts after a likely liquidation, 2,400 people's jobs would be lost and 700 pensioners would have their pensions adversely affected. In addition landlords would have had vacant properties to deal with at short notice. All of this is, of course, most undesirable, so sometimes a vote may not just have been about money which is why most compromised landlords voted in favour. One surprise was one institutional landlord, who was not being compromised and voted against the CVA. Their lease was on very favourable terms to Beale, having been granted fifty years ago at a fixed rent and the institution would dearly wish to buy it back on liquidators' terms, to hell with the personal tragedy of all the employees. When I first started in the property business it was almost unthinkable that an institution would act that way. I am saddened in the way their business style has changed.

Lastly, but not least, was one of the largest creditors owed almost £1,000,000, who under the arrangements would be paid in full but merely about one month late on a successful CVA and have now been paid. They voted against the CVA and when questioned replied "it was a policy decision" – one has to laugh were it not so serious a situation. This was because it was HMRC, who would not only lose most of the £1,000,000 but also have to pay out benefits to 2,500 people about £5,000,000, if only for six months and lose another £2,000,000 in business rates whilst a liquidation is sorted out, not to mention all future VAT, PAYE, business rates and hopefully one day corporation tax.

Is it any wonder that our industrious hard working country is in such a poor financial state, when our leading tax collectors make a "policy decision" so ludicrously against their own interest.

As a good Jewish boy with his dying words to his tormentors once said "OH GOD FORGIVE THEM, THEY KNOW NOT WHAT THEY DO".

Yours,

Andrew S Perloff
Chairman

27 April 2016

Group Strategic Report

About the Group

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

The Group specialises in property investing and managing of good secondary retail, industrial units and offices, and also owns and manages 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 well maintained.

Key Ratios and measures

	2015	2014	2013	2012
Gross Profit Margin (Gross profit/turnover)	**73%**	66%	77%	69%
Gearing (debt*/(debt* + equity))	**48%**	50%	51%	53%
Interest Cover**	**1.65 times**	1.22 times	1.38 times	1.25 times
Finance cost rate (finance costs/average borrowings for the year)	**6.6%**	6.6%	6.7%	6.9%
Yield (rents investment properties/average market value investment properties)	**7.2%**	7.5%	7.9%	7.4%
Net assets value per share	**428p**	409p	395p	367p
Earnings per share – continuing	**38.7p**	26.1p	42.0p	(17.2)p
Dividend per share	**22p*****	12.0p	12.0p	12.0p
Investment property acquisitions	**£2.2m**	£3.2m	£5.3m	£11.4m
Investment property disposal proceeds	**£4.0m**	£1.2m	£2.2m	£0.6m

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

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

*** Includes 10p per share special dividend

Business Review

The Group turnover was down slightly due entirely to MRG Systems Ltd ("MRG") which saw a decline. The rental business, the Group's core activity, showed a 2.6% increase in rents and overall the Group's gross profitability, which includes all segments, has improved on 2014. We have seen a reduction in cost of sales which aided this increased profitability in 2015, when compared to the prior year. This was almost entirely due to the large repair works undertaken on Wimbledon Studios in 2014, whereas in 2015 there were not any repair works of this magnitude. Half the overall reduction in costs of sales related to MRG and their decline in trading.

The Group continued to benefit from improvement in the property market with the portfolio showing a further £3.9 million uplift (2014 – £13.1 million uplift) following another independent valuation by GL Hearn. The Board is still only investing in special situations (as with the prior year) and its main push continues to be on disposals to realise profits in this positive market. We announced on 19 January 2016 that disposals have taken place during 2015 and others are expected in the first half of 2016, the announcement referred to £10.6 million of proceeds being generated (which included £0.2 million on shares). As a further update we now expect this figure will be approximately £9.8 million as the option on Swindon Market was not taken up. £4.2 million was received in 2015 and a further £5.0 million has been received in 2016 to date.

When comparing our disposals and recent acquisitions in terms of turnover; the properties (and shares) disposed of for £9.8 million, were generating £226,000 of income per annum (£158,000 net due to vacant service charges in Sutton upper parts) across these assets. We completed a corporate acquisition, in March 2016, of Lord Street Properties (Southport) Ltd as detailed in our announcement of 8 March 2016. The Southport company purchased for circa £4.5 million will generate income of £650,000 per annum (before vacant costs) for the Group. This switch should leave us a long way in front especially when you note we only invested half the disposal proceeds.

The letting of Wimbledon Studios, which took place last year, still has a significant impact on these financial statements and the Group. In particular the prior year's cash flow is very strong due to the pre-payment of £2,625,000, being two and a half years' rent in advance. In the current year Income Statement we reflect a full year's rental income for this property but no cash as it was received last year.

There are some uncertainties going forward which may affect property prices, but many of our properties are based outside London, and the values outside are still catching up. As such, we still anticipate the market being stable or growing for our properties and that we have time to create or realise value, especially on our sites that are suitable for residential redevelopment.

Financing

The Group entered into a £75 million club loan facility (£60 million term and £15 million revolving), with HSBC and Santander, in July 2011, of which we have paid back £2 million of the term element. These facilities were renewed and the loan was amended and restated on 19 April 2016 for a further 5 year term, providing the Group with an extra £2 million (term loan). We also renewed the revolving facility part of the loan which has £3.5 million undrawn. This restated loan has the additional option of increasing it by a further £10 million (subject to the banks approval), so in total the refinancing gives the Group £15.5 million potential further funds to invest.

At the statement of financial position date the Group had £4.4 million of cash funds.

The Group did not offer the scrip dividend option for the 2015 interim of 9p per share dividend, or the 10p special dividend paid on the 31 March 2016.

Financial derivative

We have seen a fair value gain in our long term liability on derivative financial instruments of £1.6 million (2014: £9.8 million fair value loss). Following this gain the total derivative financial liability on our Consolidated Statement of Financial Position is £22.9 million (2014: £24.5 million).

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

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

Financial Risk Management

The Company and Group operations expose it to a variety of financial risks, the main two being the effects of changes in credit risk of tenants and interest rate movement exposure on borrowings. The Company and Group have in place a risk management programme that seeks to limit the adverse effects on the financial performance of the Company and Group by monitoring and managing levels of debt finance and the related finance costs. The Company and Group also use interest rate swaps to protect against adverse interest rate movements with no hedge accounting applied. Mark to market valuations on our financial instruments have been erratic due to current low market interest rates and due to their long term nature. These large mark to market movements are shown within the income statement. However, the actual cash outlay effect is nil when considered alongside the term loan, as the instruments have been used to fix the risk of further cash outlays due to interest rate rises or can be considered as a method of locking in returns (difference between rent yield and interest paid at a fixed rate).

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. The exposure of the Company and Group to inflation is low due to the low cost base of the Group and natural hedge we have owning "real" assets. Price risk on income is protected by the rent review clauses contained within our tenancy agreements and often secured by medium or long term leases.

Credit risk

The Company and Group have implemented policies that require appropriate credit checks on potential tenants before lettings are agreed. In many 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 reduced significantly due to the Group having a large spread of tenants who operate in different industries.

Liquidity risk

The Company and Group actively manage liquidity by maintaining a long-term finance facility, strong relationships with many banks and holding cash reserves. This ensures that the Company and Group have sufficient available funds for operations and planned expansion or the ability to arrange such.

Interest rate risk

The Company and Group have both interest bearing assets and interest bearing liabilities. Interest bearing assets consist of cash balances which earn interest at fixed rate when placed on deposit. 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 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, be prudent.
Regulatory changes	Transactional and holding costs increase	Seek high returns to cover additional costs. Lobby Government -“Ramblings”.
People related issues	Loss of key employees/low morale/inadequate skills	Maintain market level remuneration packages, flexible working and training. Strong succession planning and recruitment. Suitable working environment.
Computer failure	Loss of data, debtor history	External IT consultants, backups, offsite copies. Latest virus and internet software.
Asset management	Wrong asset mix, asset illiquidity	Draw on wealth of experience to ensure balance between income producing and development opportunities. Continued spread of tenancies and geographical location. Manage the economic cycles.

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: 27 April 2016

Directors' Report

Company number 293147

The Directors submit their report together with the audited financial statements of the Company and of the Group for the year ended 31 December 2015.

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) including FRS101 "Reduced Disclosure Framework". 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 Directors' Report 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 has a diverse spread of tenants across most industries and investment properties based in many locations across the county.

The Group typically has a long term loan in place. In 2015 this was shown as short-term, however this has been renewed on 19 April 2016. The Groups always maintains 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 £6,813,000 (2014: £4,692,000).

The interim dividend of £1,597,000 (9.0p per share) on ordinary shares was paid on 27 November 2015. A further special dividend of 10p per share, in relation to 2015, was announced on 19 January 2016 and paid on 31 March 2016.

The Directors recommend a final dividend of £532,000 (3.0p per share) payable on 5 September 2016 to shareholders on the register at the close of business on 19 August 2016 (Ex dividend on 18 August 2016). The total dividend for the year ended 31 December 2015 being anticipated at 22p.

There will be no option of a scrip dividend offered for the 2015 final dividend of 3p per share. There was no scrip option for the interim dividend in November 2015 or the special dividend in March 16.

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 **2015**	2014
A. S. Perloff (Chairman)	**4,244,360**	4,241,783
B. R. Galan (Non – executive)	**332,669**	323,902
P. M. Kellner (Non – executive)	**22,000**	22,000
J. T. Doyle	**63,460**	63,460
J. H. Perloff	**107,500**	107,500
S. J. Peters	**187,929**	183,143

A. S. Perloff and his family trusts have beneficial interests in shares owned by Portnard Limited, a Company under their control, amounting to 8,405,175 (2014 – 8,183,662).

There have been no changes in Directors' shareholdings since 31 December 2015.

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 £290,000 (2014 – £288,000) are made up as follows:

Director	Salary/ Fees £'000	Bonus £'000	Taxable Benefit £'000	Pension Contribution £'000	**Total 2015 £'000**	Total 2014 £'000
Executive						
A. S. Perloff	—	—	10	—	**10**	5
J. T. Doyle	77	21	3	—	**101**	103
J. H. Perloff	46	5	1	—	**52**	53
S. J. Peters	56	21	—	30	**107**	107
Non-executive						
B. R. Galan	10	—	—	—	**10**	10
P. M. Kellner	10	—	—	—	**10**	10
	199	47	14	30	**290**	288

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 2015 and does not anticipate making further contributions.

S. J. Peters had pension contributions paid in the year by the Company of £30,000 (2014 – £36,000) into his personal stakeholders' contribution pension scheme.

No other payments were paid in respect of any other Director during the year (2014 – £nil).

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

Capital structure
Details of the issued share capital of the Company are shown in note 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 £25,000 political donations (2014 – £17,500). The Group makes donations to charities through advertisements at charity events and in the diaries of charities, the total of which in 2015 was £5,000 (2014 – £3,000). The Group is a Foundation Partner of the preferred charity of the property industry, Land Aid, donating £10,000 (2014 – £10,000).

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

Events after the reporting date
In January 2016 the Group completed the sale on a conditional contract for the upper parts of Old Inn House, Sutton for £3,900,000 (before costs).

In March 2016 the group disposed of a property in Southend for £1,050,000 (before costs).

In March 2016 the Group purchased Lord Street Properties (Southport) Ltd for £4,500,000 (including costs).

In March 2016, JE Beale PLC (a subsidiary of Beale Ltd) ("Beale"), entered and had approved a landlords only Creditors Voluntary Arrangement ("CVA"), which affected two of Panther's property investments. Beale have the right to exit these stores in 10 months, and will pay a third of the rent in the meantime, the pre-CVA combined rent being £350,000. This process however does put Beale into a stronger financial position, which make rental streams on other investment properties owned by Panther, where Beale is a tenant, more secure.

On 19 April 2016 the Group renewed its £75,000,000 loan facility by entering into a new 5 year term loan with HSBC and Santander. The Group has the option to draw down an additional £10,000,000 under the same agreement subject to the banks credit approval process.

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: 27 April 2016

Corporate Governance

Panther Securities P.L.C. Board recognise the importance of sound Corporate Governance. However during 2015, it did not fully comply with the UK Corporate Governance Code, issued by the Financial Reporting Council, as in the Board's view it would have been too onerous. Nevertheless, the Company has regard for the main provisions as far as is practicable and appropriate for a public company of its size.

The Board

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

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

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

Biographical details of Executive Directors:-

Andrew Perloff (Chairman)

He has over 50 years' experience in the property sector, including over 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 ten contested take-over bids and has also served on the Board of Directors of 6 other public listed companies. He is currently a non-executive director of Beale Ltd and Airsprung Furniture Ltd

Simon Peters (Finance Director)

He is a member of the Chartered Institute of Taxation, a Fellow of the Chartered Certified Accountants and was formerly with KPMG LLP and the Lombard Bank Finance Department. He is currently a non-executive director of Beale Ltd and Airsprung Furniture Ltd. He joined Panther in 2004 and was appointed Finance Director in 2005.

John Doyle (Executive)

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

John Perloff (Executive)

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

Biographical details of Non-executive Directors:-

Bryan Galan (Non-executive)

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

Peter Kellner (Non-executive)

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

Communication with shareholders

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

Audit Committee
The Audit Committee has three members including both non-executive Directors and an executive Director (being Andrew Perloff) and it is chaired by Peter Kellner. Its terms of reference, which are available from the Company's registered office, are that it meets at least twice a year to review the Group's accounting policies, financial and other reporting procedures, with the external auditors in attendance when appropriate. In 2015 the committee met three times with all members present.

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

Remuneration Committee
The Remuneration Committee consists solely of the two non-executive Directors, Bryan Galan (Chairman) and Peter Kellner. It reviews the terms and conditions of service of the Chairman and Executive Directors, ensuring that salaries and benefits satisfy performance and other criteria. When setting remuneration the Committee consults with the Chairman of the Board and no external third parties are consulted. In 2015 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 comparables. The only element of remuneration that reflects specific performance is the bonuses, however this is adjusted to reflect market conditions and company results.

Independent Auditors' Report

Independent Auditor's Report to the Members of Panther Securities P.L.C.
We have audited the financial statements of Panther Securities P.L.C. for the year ended 31 December 2015 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 Statement of Financial Position, the Parent Company Statement of Changes in Equity and related notes 1 to 49. The financial reporting framework that has been applied in the preparation of the Consolidated Financial Statements is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union. The financial reporting framework that has been applied in the preparation of the Parent Company financial statements is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) including FRS101 "Reduced Disclosure Framework".

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

Respective responsibilities of directors and auditor
As explained more fully in the Directors' Responsibilities Statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

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

Opinion on financial statements
In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2015 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 financial statements 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

27 April 2016

Consolidated Income Statement

For the year ended 31 December 2015

	Notes	31 December 2015 £'000	31 December 2014 £'000 *Restated*
Revenue	5	**14,443**	14,832
Cost of sales	5	**(3,824)**	(5,044)
Gross profit		**10,619**	9,788
Other income		**294**	283
Administrative expenses		**(3,540)**	(3,698)
		7,373	6,373
Profit/(loss) on disposal of investment properties		**1,074**	(57)
Movement in fair value of investment properties	16	**3,859**	13,110
		12,306	19,426
Finance costs	10	**(5,186)**	(5,268)
Investment income	9	**31**	21
Loss (realised) on the disposal of available for sale investments (shares)		**(244)**	—
Loss on disposal of plant and equipment		**—**	(22)
Reversal of impairment of available for sale investments (shares)	19	**—**	33
Fair value gain/(loss) on derivative financial liabilities	29	**1,563**	(9,813)
Profit before income tax		**8,470**	4,377
Income tax (expense)/credit	11	**(1,657)**	315
Profit for the year		**6,813**	4,692
Attributable to:			
Equity holders of the parent		**6,815**	4,650
Non-controlling interest		**(2)**	42
Profit for the year		**6,813**	4,692
Earnings per share			
Basic and diluted – continuing operations	14	**38.7p**	26.8p

Consolidated Statement of Comprehensive Income

For the year ended 31 December 2015

	Notes	**31 December 2015 £'000**	31 December 2014 £'000 *Restated*
Profit for the year		**6,813**	4,692
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	**45**	—
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	27	**(8)**	—
Other comprehensive income for the year, net of tax		**37**	—
Total comprehensive income for the year		**6,850**	4,692
Attributable to:			
Equity holders of the parent		**6,852**	4,650
Non-controlling interest		**(2)**	42
		6,850	4,692

Consolidated Statement of Financial Position

Company number 293147

As at 31 December 2015

	Notes	**31 December 2015 £'000**	31 December 2014 £'000
ASSETS			
Non-current assets			
Plant and equipment	15	**145**	185
Investment property	16	**176,133**	173,412
Deferred tax asset	27	**—**	1,215
Available for sale investments (shares)	19	**736**	1,179
		177,014	175,991
Current assets			
Inventories		**60**	—
Stock properties	20	**991**	991
Assets held for sale		**—**	535
Trade and other receivables	22	**4,553**	4,433
Cash and cash equivalents		**4,387**	5,335
		9,991	11,294
Total assets		**187,005**	187,285
EQUITY AND LIABILITIES			
Capital and reserves			
Share capital	24	**4,437**	4,372
Share premium account	25	**5,491**	4,692
Capital redemption reserve	25	**604**	604
Retained earnings		**65,485**	61,804
Attributable to equity holders of the parent		**76,017**	71,472
Non-controlling interest		**80**	82
Total equity		**76,097**	71,554
Non-current liabilities			
Long-term borrowings	26	**591**	71,058
Derivative financial liability	29	**22,912**	24,475
Deferred tax liabilities	27	**100**	—
Obligations under finance leases	32	**6,640**	7,038
		30,243	102,571
Current liabilities			
Trade and other payables	28	**10,663**	11,681
Short-term borrowings	26	**69,637**	1,140
Liabilities held for sale		**—**	228
Current tax payable		**365**	111
		80,665	13,160
Total liabilities		**110,908**	115,731
Total equity and liabilities		**187,005**	187,285

The accounts were approved by the Board of Directors and authorised for issue on 27 April 2016. They were signed on its behalf by:

A.S. Perloff
Chairman

Consolidated Statement of Changes in Equity

For the year ended 31 December 2015

	Share capital £'000	Share premium £'000	Capital redemption £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2014	4,297	3,750	604	59,225	67,876
Total comprehensive income	—	—	—	4,650	4,650
Dividends	75	942	—	(2,071)	(1,054)
Balance at 1 January 2015	4,372	4,692	604	61,804	71,472
Total comprehensive income	—	—	—	6,852	6,852
Dividends	65	799	—	(3,171)	(2,307)
Balance at 31 December 2015	**4,437**	**5,491**	**604**	**65,485**	**76,017**

Within retained earnings are unrealised losses of £97,000 and deferred tax credit of £17,000 (2014 – unrealised losses of £2,574,000 and a deferred tax credit of £512,000) relating to fair value of available for sale investments (shares).

Consolidated Statement of Cash Flows

For the year ended 31 December 2015

	31 December 2015 £'000	31 December 2014 £'000 *Restated*
Cash flows from operating activities		
Profit from operating activities	**7,373**	6,373
Add: Depreciation charges for the year	**135**	116
Add: Loss on impairment of stock properties	**–**	259
Rent paid treated as interest	**(520)**	(544)
Profit before working capital change	**6,988**	6,204
Increase in inventory	**5**	79
Increase in receivables	**292**	439
(Decrease)/increase in payables	**(1,139)**	2,517
Cash generated from operations	**6,146**	9,239
Interest paid	**(4,572)**	(4,457)
Income tax paid	**(95)**	(188)
Net cash generated from operating activities	**1,479**	4,594
Cash flows from investing activities		
Purchase of plant and equipment	**(38)**	(89)
Purchase of investment properties	**(2,224)**	(3,171)
Purchase of available for sale investments (shares)	**–**	(63)
Proceeds from sale of investment property	**4,019**	1,193
Proceeds from sale of available for sale investments (shares)	**244**	–
Proceeds from sale of fixed assets	**–**	29
Dividend income received	**23**	11
Interest income received	**8**	10
Net cash generated from/(used in) investing activities	**2,032**	(2,080)
Cash flows from financing activities		
Repayments of loans	**(3,152)**	(1,180)
Draw down of loan	**1,000**	1,197
Dividends paid	**(2,307)**	(1,054)
Net cash used in financing activities	**(4,459)**	(1,037)
Net (decrease)/increase in cash and cash equivalents	**(948)**	1,477
Cash and cash equivalents at the beginning of year	**5,335**	3,858
Cash and cash equivalents at the end of year*	**4,387**	5,335

* Of this balance £1,110,000 (2014: £247,000) 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 England and Wales. 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 Directors' Report.

2. **New and revised International Financial Reporting Standards**
Standards, interpretations and amendments to published standards that are not yet effective
Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for the Group's accounting periods beginning on or after 1 January 2016 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 2016) will have a material effect on the consolidated financial statements of the Group, however the extent of this has not yet been assessed.

- IFRS 9 Financial Instruments*
- IFRS 15 Revenue for Contracts with Customers*
- IFRS 16 Leases*
- Amendments to IAS 1 Presentation of Financial Statements
- Amendments to IAS 7 Statement of Cash Flows: Disclosure*
- Amendments to IAS 27 Separate Financial Statements

* 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**
Estimation uncertainty
Sources of estimation uncertainty are noted in the accounting policies for Investment Properties and fair value of Derivative Financial Instruments.

4. **Significant accounting policies**
The consolidated financial statements have been prepared in accordance with International Financial Reporting Standards adopted for use in the European Union. The financial statements have been prepared on the historical cost basis, except for the revaluation of Investment Properties, Derivative Financial Instruments and Available for Sale Investments which are carried at fair value.

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

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

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.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2015

4. Significant accounting policies *continued*

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

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

Assets and businesses held for sale

Assets and businesses classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell. Impairment losses on initial classification as held for sale and gains or losses on subsequent re-measurements are included in the income statement. No depreciation is charged on assets and businesses classified as held for sale. Assets and businesses are classified as held for sale if their carrying amount will be recovered or settled principally through a sale transaction rather than through continuing use.

The asset or business must be available for immediate sale and the sale must be highly probable within one year. MRG Systems Limited ("MRG") was classified as held for sale as at 31 December 2014.

MRG was reclassified back to continuing operations in the year, prior to this a full marketing process was undertaken with a view to the sale of this business however the board were unable to find a suitable purchaser. The sales process was not believed to be assisting the business as the uncertainty may have been affecting customer confidence. The Board instructed the business agents to cease marketing activities. It is impossible to gauge the effect, if any, the sales process had on the financial performance of MRG as on average two thirds of MRG's revenue is generated from non-recurring income.

The reclassification of MRG as no longer held for sale, in 2015, compared to held for sale in 2014, has resulted in a restatement of the consolidated income statement, the consolidated statement of comprehensive income, the consolidated statement of cash flows and related notes.

Investment Properties

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

In accordance with IAS 17 ('Leases') and IAS 40 ('Investment Property'), a property interest held under an operating lease, which meets the definition of an investment property, is classified as an investment property. The property interest is initially accounted for as if it were a finance lease, recognising as an asset and a liability the present value of the minimum lease payments due by the Group to the freeholder. Subsequently, and as described above, the fair value model of accounting for investment property is applied to these interests. A corresponding interest charge is applied to the finance lease liabilities based on the effective interest rate. Fair value measurement of investment property is classified as Level 3 in the fair value hierarchy. Using the fair value model in IAS 40 is a recurring measurement.

Transfers between investment property and stock properties

Transfers from stock properties to investment property are made at fair value; any difference between the fair value of the property at the date of transfer and its carrying amount is recognised in profit or loss. For a transfer from investment property carried at fair value to inventories, the property's deemed cost for subsequent accounting in accordance with IAS 2 ('Inventories') is its fair value at the date of change in use.

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

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

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

The carrying amount of deferred tax assets is reviewed at each statement of financial position date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that have been substantively enacted on or before the statement of financial position 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 net basis.

Corporation tax for the period is charged at 20.25% (2014 – 21.50%), representing the best estimate of the weighted average annual corporation tax rate expected for the full financial year.

Segment reporting
An operating segment is a component of an entity about which separate financial information is available that is evaluated regularly by the chief operating decision maker in deciding how to allocate resources and in assessing performance. MRG Systems Limited is classified as separate operating segment to the activities of the rest of the Group, where MRG Systems Limited's principal activity is that of electronic designers, engineers and consultants. In the prior year the operations of MRG Systems Limited were classified as discontinuing due to it being marketed for sale.

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.

Revenue recognition
Revenue comprises:

- Rental income from tenancy occupied properties net of Value Added Tax where appropriate: The income is recognised on an accruals basis.
- Sale of stock properties: This is recognised on the date that exchange of contracts becomes unconditional.

4. Significant accounting policies *continued*

- Revenue in respect of MRG Systems Limited is measured at the fair value of the consideration received or receivable for goods supplied and services rendered, net of discounts and Value Added Tax. Revenue from the sale of goods is recognised when the significant risks and rewards of ownership have transferred to the buyer (usually on despatch of the goods); the amount of revenue can be measured reliably; it is probable that the associated economic benefits will flow to the entity; and the costs incurred or to be incurred in respect of the transactions can be measured reliably.

Foreign currency translation

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

Plant and equipment

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

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

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

Impairment of property, plant and equipment

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

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

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

Leasing

All leases are operating leases.

The Group as lessor

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

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

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

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

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

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

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

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

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

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

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 different 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.

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

Available for sale investments

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

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

Impairment of available for sale investments

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

Provisions

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

Stock properties

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

Inventories

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

Share capital

Share capital represents the nominal value of shares issued by the company.

Share premium

Share premium represents amounts received in excess of nominal value on the issue of share capital.

Capital redemption reserve

The capital redemption reserve arises on the purchase of the companies own shares for cancellation.

Retained earnings

Retained earnings represent the accumulated comprehensive income and losses of the Group less dividends paid.

Dividends

Dividends are recognised based on the value per share declared. Where scrip dividends are issued, the value of such shares, measured as the amount of the cash dividend alternative, is credited to share capital and share premium. The net movement in equity represents the cash paid on the dividend.

5. Revenue and cost of sales

The Group's 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 segment whose principal activity is that of electronic designers, engineers and consultants. 66% 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:

	2015	2014
	£'000	£'000
Rental income	**12,840**	12,512
Income from trading (M.R.G. Systems Limited)	**1,603**	2,320
	14,443	14,832

Cost of sales arose as follows:

	2015	2014
	£'000	£'000
Cost of sales from rental income	**3,272**	4,000
Cost of sales from trading (M.R.G. Systems Limited)	**552**	1,044
	3,824	5,044

Profit/(loss) before income tax:

	2015	2014
	£'000	£'000
Profit from investment and dealing in properties	**8,482**	4,210
(Loss)/profit from trading (M.R.G. Systems Limited)	**(10)**	167
	8,472	4,377

6. Profit for the year

	2015	2014
	£'000	£'000
The profit for the year is stated after charging:		*Restated*
Depreciation of tangible fixed assets – owned by the Group	**135**	116
Fees payable to the Group's auditor for the audit of both the parent company and the Group's annual report and accounts	**3**	3
Fees paid to the Group's auditor for other services:		
The audit of the parent's subsidiaries	**69**	67
Other services provided	**13**	6

7. Staff costs

	2015	2014
	£'000	£'000
Staff costs, including Directors' remuneration, were as follows:		*Restated*
Wages and salaries	**1,468**	1,543
Social security costs	**156**	159
Pension contributions	**52**	42
	1,676	1,744

The average monthly number of employees, including Directors, during the year was as follows:

Directors	**6**	6
Other employees	**31**	36
	37	42

8. Directors remuneration

	2015	2014
	£'000	£'000
Emoluments for services as Directors	**290**	288

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 PLC. Information regarding their emoluments is set out above.

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

	2015	2014
	£'000	£'000
Short term employee benefits (salaries and benefits)	**310**	295

9. Investment income

	2015	2014
	£'000	£'000
		Restated
Interest on bank deposits	**8**	10
Dividends from equity investments	**23**	11
	31	21

10. Finance costs

	2015	2014
	£'000	£'000
		Restated
Interest payable on bank overdrafts and loans	**4,666**	4,724
Interest payable on finance lease liabilities*	**520**	544
	5,186	5,268

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

11. Income tax charge

The charge for taxation comprises the following:

	2015	2014
	£'000	£'000
Current year UK corporation tax	**441**	260
Prior year UK corporation tax	**(91)**	(80)
	350	180
Current year deferred tax expense/(credit)	**1,307**	(495)
Income tax expense/(credit) for the year	**1,657**	(315)

Domestic income tax is calculated at 20.25% (2014 – 21.50%) of the estimated assessable profit or loss for the year. The future provision for deferred tax has been calculated on the basis of 18.0% (2014 – 20.0%).

11. Income tax charge *continued*

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

	2015 £'000	**2015 %**	2014 £'000	2014 %
Profit before taxation	**8,472**		4,210	
Profit on ordinary activities before tax multiplied by the average of the standard rate of UK corporation tax of 20.25% (2014 – 21.50%)	**1,716**	**20.25**	905	21.5
Tax effect of expenses that are not deductible in determining taxable profit	**34**	**0.4**	115	2.8
Dividend income not allowable for tax purposes	**(5)**	**(0.1)**	(2)	—
Capital allowances for the year in excess of depreciation	**(34)**	**(0.4)**	(59)	(1.4)
Non taxable movement in fair value of investment properties	**(740)**	**(8.7)**	(1,361)	(32.3)
Non deductible movement in fair value of available for sale investments (shares)	**—**	**—**	2	—
Non deductible movement in fair value of financial instruments	**454**	**5.4**	148	3.5
Disposal of properties or shares	**323**	**3.8**	17	0.4
Prior year corporation tax over provision	**(91)**	**(1.1)**	(80)	(1.9)
Tax charge/(credit)	**1,657**		(315)	

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

	2015 £'000	2014 £'000
Dealt with in the accounts of:		
– the parent undertaking	**(5,158)**	(16,004)
– subsidiary undertakings	**11,971**	20,696
	6,813	4,692

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:

	2015 £'000	2014 £'000
Final dividend for the year ended 31 December 2014 of 9p per share (2013: 9p per share)	**1,574**	1,546
Interim dividend for the year ended 31 December 2015 of 9p per share (2014: 3p per share)	**1,597**	525
	3,171	2,071

The Directors recommend a payment of a final dividend, for the year ended 31 December 2015 of 3p per share (2014 – 9p), following the interim dividend paid on 27 November 2015 of 9p per share. The final dividend of 3p per share will be payable on 5 September 2016 to shareholders on the register at the close of business on 19 August 2016 (Ex dividend on 18 August 2016).

Further to the above ordinary dividends a special dividend of 10p per share was paid on 31 March 2016. The special dividend was in relation to the year ended 31 December 2015.

The full ordinary dividend for the year ended 31 December 2015 is anticipated to be 12p per share, plus 10p per share special dividend, being a total of 22p per share.

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 £6,815,000 (2014 – £4,650,000) and on 17,617,112 ordinary shares being the weighted average number of ordinary shares in issue during the year (2014 – 17,336,791). 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 2014	1,007	30	1,037
Transfer to assets classified as held for sale	(256)	—	(256)
Additions	90	—	90
Disposals	(191)	(22)	(213)
At 1 January 2015	650	8	658
Additions	38	—	38
Transfer from assets classified as held for sale	199	—	199
At 31 December 2015	**887**	**8**	**895**
Accumulated depreciation			
At 1 January 2014	627	24	651
Transfer to assets classified as held for sale	(111)	—	(111)
Depreciation charge for the year	94	1	95
Disposals	(145)	(17)	(162)
At 1 January 2015	465	8	473
Depreciation charge for the year	135	—	135
Transfer from assets classified as held for sale	142	—	142
At 31 December 2015	**742**	**8**	**750**
Carrying amount			
At 31 December 2015	**145**	**—**	**145**
At 31 December 2014	185	—	185
At 1 January 2014	380	6	386

16. Investment property

	Investment Properties £'000
Fair value	
At 1 January 2014	158,184
Additions	3,171
Disposals	(1,250)
Transferred from stock properties	200
Fair value adjustment on property held on operating leases	(3)
Revaluation increase	13,110
At 1 January 2015	173,412
Additions	2,224
Disposals	(2,945)
Fair value adjustment on property held on operating leases	(417)
Revaluation increase	3,859
At 31 December 2015	**176,133**
Carrying amount	
At 31 December 2015	**176,133**
At 31 December 2014	173,412

At 31 December 2015, £136,689,000 (2014 – £133,740,000) and £39,444,000 (2014 – £39,672,000) included within investment properties relates to freehold and leasehold properties respectively.

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

	2015 £'000	2014 £'000
Cost of investment properties	**115,998**	118,243

The Group has pledged £164,331,000 of investment property (2014 – £158,823,000) as security for the loan facilities granted to the Group at the balance sheet date.

Costs relating to ongoing and potential developments are included in additions to investment properties and in the year ended 31 December 2015 amounted to £180,000 (2014 – £64,000).

The property rental income earned by the Group from its investment property, all of which is leased out under operating leases, amounted to £12,593,000 (2014 – £12,279,000).

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 8.0%. Assuming all else stayed the same; a decrease of 1.0% in the average yield would result in an increase in fair value of £22,488,000. An increase of 1.0% in the average yield would result in a corresponding decrease in fair value.

The property valuations were carried out independently by GL Hearn at 31 December 2015 (and at 31 December 2014). The property valuations when carried out internally are undertaken by Directors, two of whom are members of the Royal Institution of Chartered Surveyors (RICS). The valuation methodology by both parties was in accordance with The RICS Appraisal and Valuation Standards (9th Edition – January 2014), which is consistent with the required IFRS 13 methodology. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

The amount of unrealised gains or losses on investment properties is charged to the income statement as the movement in fair value of investment properties, for 2015 this was a fair value gain of £3,859,000 (2014 – fair value gain of £13,110,000). The amount of realised gains or losses is shown as the profit/(loss) on disposal of investment properties within the income statement, for 2015 there was a realised gain of £1,074,000 (2014 – loss of £57,000).

17. Subsidiaries

Details of the Company's subsidiaries at 31 December 2015 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
MRG Systems Limited	Great Britain	Trading	75	75
Panther AL Limited	Great Britain	Property	100	100
Panther AL (VAT) Limited	Great Britain	Property	100	100
Melodybright Limited	Great Britain	Property	100	100
TRS Developments Limited	Great Britain	Property	100	100
Abbey Mills Properties Limited	Great Britain	Property	100	100

* – 100% subsidiaries of Panther Shop Investment (Midlands) Limited
** – 100% subsidiaries of Eurocity Properties PLC
*** – 100% subsidiary of Surrey Motors Limited
**** – 95% owned by Panther Securities PLC/5% owned by Panther (Bromley) Limited

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

18. Investment in associate undertaking

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

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

In 2014 the Group paid £75,000 to purchase fixtures that belonged to Wimbledon Studios Limited from the administrators as they were within the building owned by the Group and assisted with the subsequent letting of the building.

The administration did not lead to the repayment of these debts, accordingly all debts have been written off.

Group transactions with associate:

	2015 £'000	2014 £'000
Rent receivable from associate recognised in year	**–**	368
Trade receivables and accrued income	**–**	1,200
Trade receivables and accrued income – overdue	**–**	1,200
Provision	**–**	(1,200)
Other receivables – overdraft facility drawn	**–**	622
Provision on overdraft	**–**	(622)

19. Available for sale investments (shares)

	Non-current assets £'000
Cost or valuation	
At 1 January 2014	1,083
Reversal of impairment on revaluation through income statement	33
Additions	63
At 1 January 2015	1,179
Movement in fair value of available for sale investments (shares) taken to equity	45
Disposal	(488)
At 31 December 2015	**736**
Comprising at 31 December 2015:	
At cost	542
At valuation/net realisable value	194
Carrying amount	
At 31 December 2015	**736**
At 31 December 2014	1,179

19. Available for sale investments (shares) *continued*

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.

Andrew Perloff and Simon Peters are directors of English Rose Enterprises Limited. The Group sold its holding in Beale Ltd (previously Beale PLC) to English Rose Enterprises Limited for 6p a share in February 2015. The offer had been made to all shareholders in Beale Ltd and accepted by over 75% of them. This disposal crystallised a further £244,000 loss, but also realised £244,000 of cash.

Price risk

For the year ended 31 December 2015 if the average share price of the portfolio was 10% lower then the gain recognised in other comprehensive income would have been £19,000 lower. Corresponding gains would be seen for a 10% uplift.

20. Stock properties

	2015	2014
	£'000	£'000
Stock properties	**991**	991

The cost of stock properties recognised as expense and included in cost of sales amounted to £nil (2014 – £nil). Impairments of £nil have been recognised against stock properties (2014 – £259,000).

The market value of stock properties is £1,910,000 (2014 – £2,021,000).

£1,810,000 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 2015 was valued independently by GL Hearn. The stock properties are held at the lower of cost and market value and as such any uplift is not recognised in the financial statements.

21. Capital commitments

	2015	2014
	£'000	£'000
Capital expenditure that has been contracted for but has not been provided for in the accounts	**105**	125

The above relates to building works.

22. Trade and other receivables

	2015 £'000	2014 £'000
Trade receivables	**3,787**	4,588
Bad debt provision	**(985)**	(2,368)
	2,802	2,220
Other receivables	**28**	9
Prepayments and accrued income	**1,723**	2,204
	4,553	4,433

The Directors consider that the carrying amount of trade and other receivables approximates their fair value. Net trade receivables are financial assets. The total of financial assets included within the financial statements at amortised cost is £7,217,000 (2014 – £7,564,000) (which relates to £2,830,000 (2014 – £2,229,000) included in the above and the Group's cash or cash equivalents).

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

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

	Trade receivables £'000	Accrued income £'000	Cash and cash equivalents £'000	Total bad debt provisions £'000
Balance at 1 January 2014	2,470	—	62	2,532
Amount written off as uncollectable	(1,178)	—	—	(1,178)
Charge/(credit) to income statement	1,076	—	(4)	1,072
Balance at 1 January 2015	2,368	—	58	2,426
Amounts written off as uncollectable	(1,774)	(595)	—	(2,369)
Charge to income statement	391	595	—	986
Balances at 31 December 2015	**985**	**—**	**58**	**1,043**

The cash and cash equivalents balances provided against related to balances on account with Kaupthing Singer and Friedlander before they went into administration. The Group at the statement of financial position date had received 82.5p in the pound from an original balance of £332,000.

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 financial assets are cash and cash equivalents and trade and other receivables.

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 all of its balances are provided against (see above). Further information on the Group's credit risk is detailed within the Group Strategic Report.

24. Share capital

	2015 £'000	2014 £'000
Allotted, called up and fully paid		
17,746,929 (2014 – 17,487,295) ordinary shares of £0.25 each	**4,437**	4,372

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

During 2015 259,634 (2014: 301,008) ordinary shares were issued in the period as a consequence of the scrip dividend.

25. Capital reserves

	2015 £'000	2014 £'000
Share premium account		
At 31 December	**5,491**	4,692
Capital redemption reserve		
At 31 December	**604**	604

26. Bank loans

	2015 £'000	2014 £'000
Bank loans due within one year	**69,637**	1,140
(within current liabilities)		
Bank loans due within more than one year	**591**	71,058
(within non-current liabilities)		
Total bank loans	**70,228**	72,198

Analysis of debt maturity	2015 £'000 Interest*	2015 £'000 Capital	2015 £'000 Total	2014 £'000 Total
Trade and other payables**:	**—**	**5,676**	**5,676**	5,083
Bank loans repayable				
On demand or within one year	**1,104**	**69,637**	**70,741**	3,024
In the second year	**14**	**140**	**154**	71,734
In the third year to the fifth year	**42**	**420**	**462**	466
After five years	**3**	**31**	**34**	224
	1,163	**75,904**	**77,067**	80,531

* based on the year end 3 month LIBOR floating rate – 0.56%, 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. This loan was due for repayment in July 2016.

On 19 April 2016 the Group renewed its £75,000,000 loan facility by entering into a new 5 year term loan with HSBC and Santander. The Group has the option to draw down an additional £10,000,000 under the same agreement subject to the banks credit approval process.

The Natwest bank loan was £731,000 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
Asset at 1 January 2014	720
Debit to profit and loss for the year	495
Asset at 1 January 2015	1,215
Credit to equity for the year	(8)
Credit to profit and loss for the year	(1,307)
Liability at 31 December 2015	(100)

Deferred taxation arises in relation to:

Deferred tax

	2015 £'000	2014 £'000
Deferred tax liabilities:		
Investment properties	**(4,588)**	(4,647)
Deferred tax assets:		
Tax allowances in excess of book value	**347**	455
Available for sale investments (shares)	**17**	512
Derivative financial liability	**4,124**	4,895
Net deferred tax (liability)/asset	**(100)**	1,215

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

As at 31 December 2015 the substantively enacted rate was 18% (2014: 20%) and this has been used for the deferred tax calculation.

28. Trade and other payables

	2015 £'000	2014 £'000
Trade creditors	**3,855**	3,285
Social security and other taxes	**665**	1,132
Other creditors	**872**	850
Obligations under finance leases (see note 32)	**520**	544
Accruals and deferred income	**4,751**	5,870
	10,663	11,681

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 £80,891,000 (2014 – £83,879,000) (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:	2015 £'000	2015 Rate	2014 £'000	2014 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	**–**		(182)	
Floating element				
HSBC Bank plc	**9,497**		11,497	
Natwest Bank plc	**731**		883	
	70,228		72,198	

Bank loans totalling £60,000,000 (2014 – £60,000,000) are fixed using interest rate swaps removing the Group exposure to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

Financial instruments for Group and Company

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

	Hedged amount £'000	Average rate	Duration of contract remaining 'years'	**2015 Fair value £'000**	2014 Fair value £'000
Derivative Financial Liability					
Interest rate swap	35,000	5.06%	22.69	**(18,541)**	(19,282)
Interest rate swap	25,000	4.63%	5.92	**(4,371)**	(5,193)
				(22,912)	(24,475)
Net fair value gain/(loss) on derivative financial assets				**1,563**	(9,813)

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

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

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

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

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

Interest rate risk

For the year ended 31 December 2015, 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 £102,000 lower (2014: £124,000 lower). This analysis excludes any affect this rate adjustment might have on expectations of future interest rates movements which is likely to affect the estimation of the fair value of the derivative financial assets/liabilities (as this movement would also be shown within the income statement affecting post-tax profit or loss), but indicates the likely cash saving/(cost) a 100 basis points (1%) movement would have had for the Group.

Treasury management

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

30. Parent company profit and loss account

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

Reconciliation of parent company profit and loss

	2015 £'000	2014 £'000
Profit/(loss) of parent company before intercompany adjustments	**1,349**	(8,958)
Add: Reversal of/(increase in) write off of intercompany debt (removed on consolidation)	**359**	(407)
Less: intercompany dividends (removed on consolidation)	**(6,866)**	(6,639)
Loss attributable to members of the Parent undertaking as per note 12	**(5,158)**	(16,004)

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 £779,000 (2014 – £714,000).

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 £779,000 and the minimum for the year of £520,000 is related to the contingent element only payable out of rents receivable.

Minimum future payments under non-cancellable operating leases
(Lessee)

	2015 £'000	2014 £'000
Payable within one year	**520**	544
Payable between one year and five years	**2,080**	2,176
Payable in more than five years	**40,547**	43,512
	43,147	46,232

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

	2015 £'000	2014 £'000
Payable within one year	**3,002**	3,112
Payable between one year and five years	**12,008**	12,448
Payable in more than five years	**228,820**	240,758
	243,830	256,318

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.

	2015	2014
	£'000	£'000
Obligations under finance leases due within one year		
(included within current liabilities)	**520**	544
Obligations under finance leases due within one to five years	**2,080**	1,837
Obligations under finance leases due in more than five years	**4,560**	5,201
(included within non-current liabilities)	**6,640**	7,038
Total obligations under finance leases	**7,160**	7,582

33. Events after the reporting date

In January 2016 the Group completed the sale on a conditional contract for the upper parts of Old Inn House, Sutton for £3,900,000 (before costs).

In March 2016 the group disposed of a property in Southend for £1,050,000 (before costs).

In March 2016 the Group purchased Lord Street Properties (Southport) Ltd for £4,500,000 (including costs).

In March 2016, JE Beale PLC (a subsidiary of Beale Ltd) ("Beale"), entered and had approved a landlords only Creditors Voluntary Arrangement ("CVA"), which affected two of Panther's property investments. Beale have the right to exit these stores in 10 months, and will pay a third of the rent in the meantime, the pre-CVA combined rent being £350,000. This process however does put Beale into a stronger financial position, which make rental streams on other investment properties owned by Panther, where Beale is a tenant, more secure.

On 19 April 2016 the Group renewed its £75,000,000 loan facility by entering into a new 5 year term loan with HSBC and Santander. The Group has the option to draw down an additional £10,000,000 under the same agreement subject to the banks credit approval process.

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 financial statements and Directors' emoluments are shown in note 8 and the Directors' Report.

Note 18 details the Group's transactions with its associate Wimbledon Studios Limited (in administration).

In 2014 a deal assistance fee of £250,000 was paid to Wenhedge Limited, a privately owned company of Andrew Perloff. This private company had assisted Wimbledon Studios Limited in surviving for 5 additional months which assisted the Group in getting the most optimum outcome. Under an agreement with Andrew Perloff, the Group agreed to pay such a fee in the event that a beneficial outcome was achieved for the Group. The independent directors felt this was good value for the service provided and the benefits of the letting can clearly be seen in terms of valuation uplift and upfront rent received.

In 2014 a lease was entered into with Airsprung Group PLC a company 100% owned by Portnard Limited (whose shareholding in the Group and relationship is detailed in the Directors' Report). In 2015 Airsprung exited this lease and the property was let at a higher rent to a third party.

Notes to the Consolidated Accounts continued

For the year ended 31 December 2015

34. Related party transactions *continued*

In February 2015 Panther Securities PLC sold its entire holding in Beale Ltd (previously Beale PLC) to English Rose Enterprises Limited, a company 100% owned by Portnard Limited. English Rose Enterprises Limited was newly set up to make an offer for the entire shareholding of Beale Ltd. Portnard's Directors include Andrew Perloff and Simon Peters. This offer was made to the entire shareholder base of Beale Ltd, approved by Beale's independent Board and their advisors and accepted by over 75% of the shareholder base, as such the Panther Securities PLC Board believes this is fair value. Further details are given in note 19.

Included within the financial statements is £780,000 (2014: £728,000) of rental income in respect of Beale Ltd, a company which has some common directors to the Group. Of this balance £514,000 (2014: £211,000) is outstanding and included within trade receivables. No provisions are required in respect of theses balances as all are current or received by the end of January 2016.

Included within the revenue recognised to date from Beale Ltd is £660,000 (2014: £1,207,000) of accrued income in respect of rent free periods. Of the 2014 balance £595,000 was written off in 2015 (2014: £nil), being the amount of rent accrued in respect of stores compromised by Beale's landlord only Creditors Voluntary Arrangement.

At 31 December 2015 included within creditors is £96,300 (2014: £nil) payable to G Perloff a close family member of a director.

35. Approval of financial statements

The financial statements were approved by the Board of Directors and authorised for issue on 27 April 2016.

Parent Company Statement of Financial Position

Company number 293147

As at 31 December 2015

	Notes	**£'000**	**2015 £'000**	£'000	2014 £'000 *Restated*
Fixed assets					
Investments	37		**16,031**		16,474
Current assets					
Debtors	38	**108,348**		111,056	
Cash at bank and in hand		**3,437**		4,448	
		111,785		115,504	
Creditors: amounts falling due within one year	39	**(80,018)**		(11,381)	
Net current assets			**31,767**		104,123
Total assets less current liabilities			**47,798**		120,597
Creditors: amounts falling due after more than one year	40		**–**		(70,315)
Derivative financial liability	29		**(22,912)**		(24,475)
Net assets			**24,886**		25,807
Capital and reserves					
Called up Share Capital	42		**4,437**		4,372
Share Premium Account			**5,491**		4,692
Capital Redemption Reserve			**604**		604
Profit and Loss Account			**14,354**		16,139
Shareholders' funds			**24,886**		25,807

The accounts were approved by the Board of Directors and authorised for issue on 27 April 2016. They were signed on its behalf by:

A.S. Perloff
Chairman

Parent Company Statement of Changes in Equity

As at 31 December 2015

	Share capital £'000	Share premium £'000	Capital redemption £'000	Retained earnings £'000	Total £'000
Balance at 1 January 2014	4,297	3,750	604	25,216	33,867
Profit for the year	—	—	—	(7,006)	(7,006)
Dividends	75	942	—	(2,071)	(1,054)
Balance at 1 January 2015	4,372	4,692	604	16,139	25,807
Profit for the year	—	—	—	1,349	1,349
Movement in fair value of available for sale investments (shares) taken to equity	—	—	—	45	45
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	—	—	—	(8)	(8)
Dividends	65	799	—	(3,171)	(2,307)
Balance at 31 December 2015	**4,437**	**5,491**	**604**	**14,354**	**24,886**

Within retained earnings are unrealised losses of £97,000 and deferred tax credit of £17,000 (2014 – unrealised losses of £2,574,000 and a deferred tax credit of £512,000) relating to fair value of available for sale investments (shares).

36. Accounting policies for the Parent Company

The Parent Company financial statements have been prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework.

Basis of preparation of financial statements

The company transitioned to FRS 101 for all periods presented.

The accounting policies which follow set out those policies which apply in preparing the financial statements for the year ended 31 December 2015.

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the exemption from providing certain comparative information;
- the exemption from preparing a statement of cash flows;
- the exemption from declaring compliance with IFRS;
- the exemption from disclosing aspects of capital risk management;
- the exemption from providing a reconciliation on the number of shares outstanding;
- the exemption from disclosing information about IFRS in issue but not yet adopted;
- the exemption from disclosing key management personnel compensation; and
- the exemption from disclosing transactions between wholly owned group members.

In relation to the following exemptions equivalent disclosures have been given in the consolidated financial statements:

- the exemption from certain non-current assets held for sale and discontinued operations disclosures;
- the exemption from certain financial instrument disclosures;
- the exemption from certain fair value disclosures; and
- the exemption from certain asset impairment disclosures.

Critical accounting judgements and key sources of estimation uncertainty

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported for assets and liabilities as at the balance sheet date and the amounts reported for revenues and expenses during the year. However, the nature of estimation means that actual outcomes could differ from those estimates.

Judgements and key sources of estimation uncertainty of the Group, applicable to the consolidated financial statements have been disclosed in note 4 to the consolidated financial statements. There are no additional judgements and key sources of estimation uncertainty that are applicable to the company only.

Significant accounting policies

The accounting policies of the Parent Company are identical to those adopted in the Consolidated Financial Statements of the Group, where applicable, with the exception of revenue recognition and the addition of impairments.

Revenue recognition

Turnover comprises dividend income from investments recognised when the Company's rights to receive payment have been established.

Investments

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

37. Fixed asset investments

	Shares in Group undertakings £'000	Other investments £'000	Total £'000
Cost or valuation			
At 1 January 2015	15,295	1,179	16,474
Movement in fair value of available for sale investments (shares) taken to equity	—	45	45
Disposal	—	(488)	(488)
At 31 December 2015	**15,295**	**736**	**16,031**
Investments:			
Listed	—	194	194
Unlisted	15,295	542	15,837
	15,295	**736**	**16,031**

The above investments are shown at market value where there is an active market for these shares. The historic cost of listed investments is £291,000 (2014: £3,211,000).

For details of the Company's subsidiaries at 31 December 2015, see note 17.

For details of the Company's disposal of shares in Beale Ltd (previously Beale PLC) see note 44.

38. Debtors

	2015 £'000	2014 £'000
Due less than one year:		
Trade debtors	**26**	2
Corporation tax	**75**	149
Amounts owed by Group undertakings	**104,060**	105,439
Other debtors	**27**	9
Prepayments and accrued income	**20**	50
Due more than one year:		
Deferred tax (note 41)	**4,140**	5,407
	108,348	111,056

39. Creditors:
Amounts falling due within one year

	2015 £'000	2014 £'000
Trade creditors	**188**	87
Amounts owed to Group undertakings	**9,712**	9,746
Bank loan	**69,497**	1,000
Social security and other taxes	**70**	32
Other creditors	**90**	103
Accruals and deferred income	**461**	413
	80,018	11,381

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

	2015 £'000	2014 £'000
Bank loans	**–**	70,315

The bank loan is secured by first fixed charges on the properties held within the Group and floating charge over all the assets of the Company. The lenders have also taken fixed security over the shares held in the group undertakings.

41. Deferred taxation
The following potential deferred taxation asset is recognised:

	2015 £'000	2014 £'000
Potential capital losses	**16**	512
Fair value of financial instruments	**4,124**	4,895
	4,140	5,407

42. Called up share capital

	2015 £'000	2014 £'000
Authorised		
30,000,000 ordinary shares of £0.25 each	**7,500**	7,500
Allotted, called up and fully paid		
17,746,929 (2014: 17,487,295) ordinary shares of £0.25 each	**4,437**	4,372

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

During 2015 259,634 (2014: 301,008) ordinary shares were issued in the period as a consequence of the scrip dividend.

43. Other commitments
At 31 December 2015 the Company had total commitments under non-cancellable operating leases as follows:

	Land and buildings	
	2015	2014
	£'000	£'000
Expiry date:		
Less than one year	**11**	11

44. Related party transactions
The compensation of the Company's key management personnel is shown in note 8 to the financial statements and Directors' emoluments are shown in note 8 and the Directors' Report.

Note 18 details the Company's transactions with its associate Wimbledon Studios Limited (in administration).

In February 2015 Panther Securities PLC sold its entire holding in Beale Ltd (previously Beale PLC) to English Rose Enterprises Limited, a company 100% owned by Portnard Limited. English Rose Enterprises Limited was newly set up to make an offer for the entire shareholding of Beale Ltd. Portnard's Directors include Andrew Perloff and Simon Peters. This offer was made to the entire shareholder base of Beale Ltd, approved by Beale's independent Board and their advisors and accepted by over 75% of the shareholder base, as such the Panther Securities PLC Board believes this is fair value. Further details are given in note 19.

At 31 December 2015 included within other creditors is £96,300 (2014: £nil) payable to G Perloff a close family member of a director.

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

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

46. Events are the reporting period date
In March 2016 the Company purchased Lord Street Properties (Southport) Ltd for £4,500,000 (including costs).

On 19 April 2016 the Company renewed its £75,000,000 loan facility by entering into a new 5 year term loan with HSBC and Santander. The Company has the option to draw down an additional £10,000,000 under the same agreement subject to the banks credit approval process.

47. First time adoption of FRS 101 Reduced Disclosure Framework
Other than the adoption of the reduced disclosures there was no material effect of applying FRS 101 for the first time. The disclosure exemptions adopted are included in note 36 to the financial statements.

48. Restatement of prior period

A prior period adjustment has been recognised in the results of the Parent Company for the year ended 31 December 2014, being the recognition of a deferred tax asset in respect of the Company's interest rate swaps and available for sale investments (shares).

Reconciliation of capital and reserves

	1 January 2014 £'000	31 December 2014 £'000
As previously reported	**30,412**	20,400
Recognition of deferred tax asset	**3,455**	5,407
	33,867	25,807

Reconciliation of retained profit

	31 December 2014 £'000
As previously reported	10,732
Recognition of deferred tax asset	5,407
	16,139

49. Authorisation of financial statements and statement compliance with FRS101

The financial statements of Panther Securities PLC (the "Company") for the year ended 31 December 2015 were authorised for issue by the Board of Directors on 27 April 2016 and the balance sheet was signed on the board's behalf by A S Perloff. Panther Securities PLC is incorporated and domiciled in England and Wales.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework (FRS 101) and in accordance with applicable accounting standards.

The Company's financial statements are presented in Sterling and all values are rounded to the nearest (£000's) except when otherwise indicated.

The results of Panther Securities PLC are included within the consolidated financial statements of Panther Securities PLC. The principal accounting policies adopted by the Company are set out in note 36.

Notice of Annual General Meeting

Notice is hereby given that the 82nd Annual General Meeting of Panther Securities P.L.C. will be held at Nexia Smith and Williamson, 25 Moorgate, London EC2R 6AY on 15 June 2016 at 11.30 a.m. for the following purposes:-

As Ordinary Business

1. To receive and adopt the Group Strategic Report, Directors' Report and Financial Statements for the year ended 31 December 2015 contained in the document entitled "Annual Report and Financial Statements 2015".

2. To authorise the payment of a final dividend of 3.0p per ordinary share.

3. To re-elect B. R. Galan who is retiring by rotation, as a Director.

4. To re-elect P. M. Kellner who is retiring by rotation, as a Director.

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

As Special Business

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

6. That for the purposes of section 551 Companies Act 2006 (and so that expressions used in this resolution shall bear the same meaning as in the said section 551):

    6.1 the Directors be and are generally and unconditionally authorised to allot equity securities (as defined in section 560 of the Companies Act 2006) up to a maximum aggregate nominal amount of £2,400,000 to such persons and at such times and on such terms as they think proper during the period expiring at the earlier of 15 months from the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2016 (unless previously revoked or varied by the Company in general meeting) except that the Company may before such expiry make any offer or agreement which could or might require relevant securities to be allotted after such expiry and the Directors may allot relevant securities pursuant to any such offer or agreement as if such authority had not expired; and

    6.2 this resolution revokes and replaces all unexercised authorities previously granted to the directors pursuant to section 551 of the Companies Act 2006 but without prejudice to any allotment of shares or grant of rights already made, offered or agreed to made pursuant to such authorities.

7. That, subject to the passing of resolution 6, set out in the Notice convening this Meeting, the Directors are empowered in accordance with section 571 of the Companies Act 2006 to allot equity securities (as defined in section 560 of the Companies Act 2006) for cash, pursuant to the authority conferred on them to allot equity securities (as defined in section 560 of the Act) by that resolution and/or to sell equity securities held as treasury shares for cash pursuant to section 727 of the Companies Act 2006, in each case as if section 561 (1) of the Companies Act 2006 did not apply to any such allotment or sale, provided that the power conferred by this resolution shall be limited to:

    7.1 the allotment of equity securities in connection with an issue or offering in favour of or sale to holders of equity securities and any other persons entitled to participate in such issue or offering where the equity securities respectively attributable to the interests of such holders and persons are proportionate (as nearly as may be) to the respective number of equity securities held by or deemed to be held by them on the record date of such allotment, subject only to such exclusions or other arrangements as the Directors may consider necessary or expedient to deal with fractional entitlements or legal or practical problems under the laws or requirements of any recognised regulatory body or stock exchange in any territory;

7.2 the allotment or sale (otherwise than pursuant to paragraph 7.1 above) of equity securities up to an aggregate nominal value not exceeding £218,591; and

7.3 the power granted by this resolution, unless renewed, shall expire at the earlier of 15 months from the date of passing of this resolution and the conclusion of the Annual General Meeting of the Company to be held in 2016 but shall extend to the making, before such expiry, of an offer or agreement which would or might require equity securities to be allotted after such expiry and the Directors may allot equity securities in pursuance of such offer or agreement as if the authority conferred hereby had not expired.

8. That the Company is generally and unconditionally authorised for the purpose of section 701 Companies Act 2006 to make market purchases (as defined in section 693 (4) of the said Act) of ordinary shares of 25p each in the capital of the Company ("ordinary shares") provided that the Company be and is hereby authorised to purchase its own shares by way of market purchase upon and subject to the following conditions:-

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

8.2 The maximum price (exclusive of expense) at which any share may be purchased is the price equal to 5 per cent, above the average of the middle market quotations of an ordinary share as derived from the London Stock Exchange Daily Official List for the five business days preceding the date of such purchase, and the minimum price at which any share may be purchased shall be the par value of such share; and

8.3 The authority to purchase conferred by this Resolution shall expire at the conclusion of the next Annual General Meeting of the Company provided that any contract for the purchase of any shares as aforesaid which was concluded before the expiry of the said authority may be executed wholly or partly after the said authority expires.

9. That the directors be authorised to make a payment of up to £25,000 by way of donation to the UK Independence Party.

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

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

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

Dated: 27 April 2016

Notes:

1. Any member of the Company entitled to attend and vote at this meeting is also entitled to appoint a proxy to attend and vote in his stead. Such a proxy need not also be a member of the Company.

2. A shareholder may appoint more than one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder.

3. A proxy form is enclosed. To appoint a proxy, shareholders must complete:

   - a form of proxy and return it together with the power of attorney or other authority (if any) under which it is signed or a notarially certified copy of such authority, to Capita Asset Services, PXS, 34 Beckenham Road, Beckenham, BR3 4TU ; or

   - a CREST Proxy Instruction (as set out in paragraph 5 below);

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

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

4. CREST members who wish to appoint a proxy or proxies through the CREST electronic proxy appointment service may do so for the Annual General Meeting and any adjournment(s) of the meeting by using the procedures described in the CREST Manual (available via www.euroclear.com/CREST). CREST personal members or other CREST sponsored members, and those CREST members who have appointed a service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

5. In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a "CREST Proxy Instruction") must be properly authenticated in accordance with Euroclear UK & Ireland Limited's specifications, and must contain the information required for such instruction, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy must, in order to be valid, be transmitted so as to be received by the Company's agent RA10, by the latest time for receipt of proxy appointments set out in paragraph 2 above. For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which the Company's agent is able to retrieve the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

6. CREST members and, where applicable, their CREST sponsors or voting service providers, should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will, therefore, apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member, or sponsored member, or has appointed any voting service provider(s), to procure that his CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

7. In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).

8. Any person to whom this Notice is sent who is a person nominated under section 146 of the Companies Act 2006 to enjoy information rights (a "Nominated Person") may, under an agreement between him/her and the shareholder by whom he/she was nominated, have a right to be appointed (or to have someone else

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

9. A statement of all transactions of each Director and his family interests in the share capital of the Company will be available for inspection at the Company's registered office during normal business hours from the date of this notice up to the close of the Annual General Meeting and will be available for inspection at the place of the Annual General Meeting for at least 15 minutes prior to and during the meeting.

10. Pursuant to regulation 41 of the Uncertificated Securities Regulations 2001, the Company gives notice that only those shareholders included in the register of members of the Company at 5.30 p.m. on 13 June 2016 or, if the meeting is adjourned, in the register of members at 5.30 p.m. on the day which is two days before the day of any adjourned meeting, will be entitled to attend and to vote at the Annual General Meeting in respect of the number of shares registered in their names at that time. Changes to entries on the share register after 5.30 p.m. on 13 June 2016, or, if the meeting is adjourned, in the register of members at 5.30 p.m. on the day which is two days before the day of any adjourned meeting, will be disregarded in determining the rights of any person to attend or vote at the Annual General Meeting.

11. As at 9.00 a.m. on 27 April 2016, the Company's issued share capital comprised 17,746,929 ordinary shares of 25 pence each. Each ordinary share carries the right to one vote at a general meeting of the Company and, therefore, the total number of voting rights in the Company as at 9.00 a.m. on 27 April 2016 is 17,746,929.

12. Under section 527 of the Companies Act 2006, members meeting the threshold requirements set out in that section have the right to require the Company to publish on a website a statement setting out any matter relating to: (i) the audit of the Company's accounts (including the auditor's report and the conduct of the audit) that are to be laid before the Annual General Meeting; or (ii) any circumstance connected with an auditor of the Company ceasing to hold office since the previous meeting at which annual accounts and reports were laid in accordance with section 437 of the Companies Act 2006. The Company may not require the shareholders requesting any such website publication to pay its expenses in complying with sections 527 or 528 of the Companies Act 2006. Where the Company is required to place a statement on a website under section 527 of the Companies Act 2006, it must forward the statement to the Company's auditor not later than the time when it makes the statement available on the website. The business which may be dealt with at the Annual General Meeting includes any statement that the Company has been required under section 527 of the Companies Act 2006 to publish on a website.

13. Any member attending the meeting has the right to ask questions. The Company must answer any such question relating to the business being dealt with at the meeting but no such answer need be given if: (a) to do so would interfere unduly with the preparation for the meeting or involve the disclosure of confidential information; (b) the answer has already been given on a website in the form of an answer to a question; or (c) it is undesirable in the interests of the Company or the good order of the meeting that the question be answered.

14. If you have sold or otherwise transferred all your ordinary shares in the Company, please forward this annual report and accounts to the purchaser or transferee or to the stockbroker, bank or other person through whom the sale or transfer was effected for transmission to the purchaser or transferee.

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

16. You may not use any electronic address provided in this Notice, or any related documents including the proxy form, to communicate with the Company for any purposes other than those expressly stated.

17. A copy of this Notice, and other information required by section 311A of the Companies Act 2006, can be found at www.pantherplc.com

Explanatory Notes to the Notice of Annual General Meeting

The following notes provide an explanation as to why certain resolutions set out in the notice of the Annual General Meeting of the Company to be held on 15 June 2016 are to be put to shareholders.

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

Resolution 1 – Laying of accounts and adoption of reports

The directors are required by the Companies Act 2006 to present to the shareholders of the Company at a general meeting the reports of the directors and auditors, and the audited accounts of the Company, for the year ended 31 December 2015. The report of the directors and the audited accounts have been approved by the directors, and the report of the auditors has been approved by the auditors. A copy of each of these documents may be found in the document entitled "Annual Report and Financial Statements 2015".

Resolutions 3 and 4 – Re-election of directors

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

Resolution 5 – Auditors' re-appointment and remuneration

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

Resolution 6 – Authority to the directors to allot shares

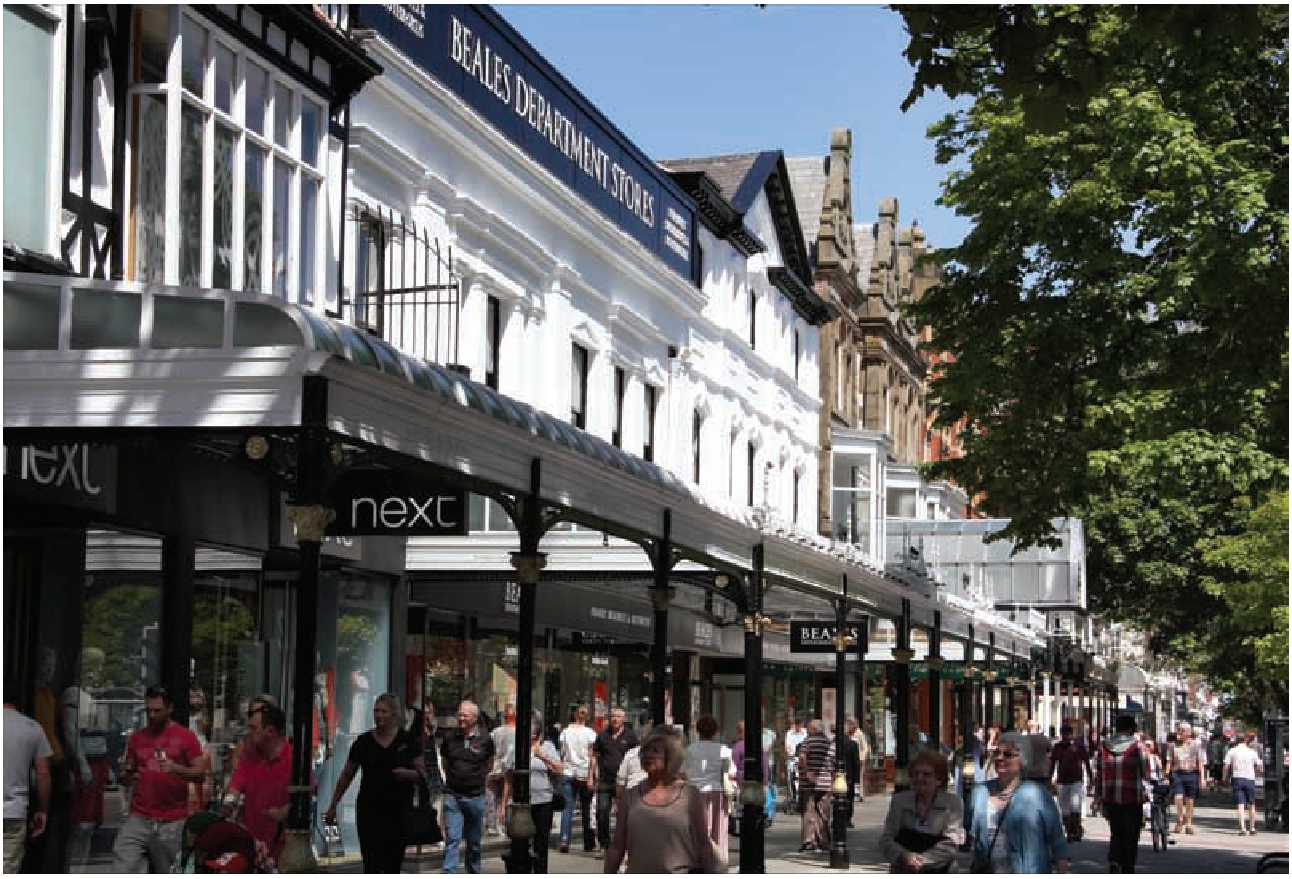
The Companies Act 2006 provides that the directors may only allot shares if authorised by shareholders to do so. Resolution 6 will, if passed, authorise the directors to allot shares and to grant rights to subscribe for, or convert securities into, shares up to a maximum nominal amount of £2,400,000, which represents an amount which is approximately equal to 55% of the issued ordinary share capital of the Company as at 26 April 2016 the latest practicable date prior to the publication of the notice.

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

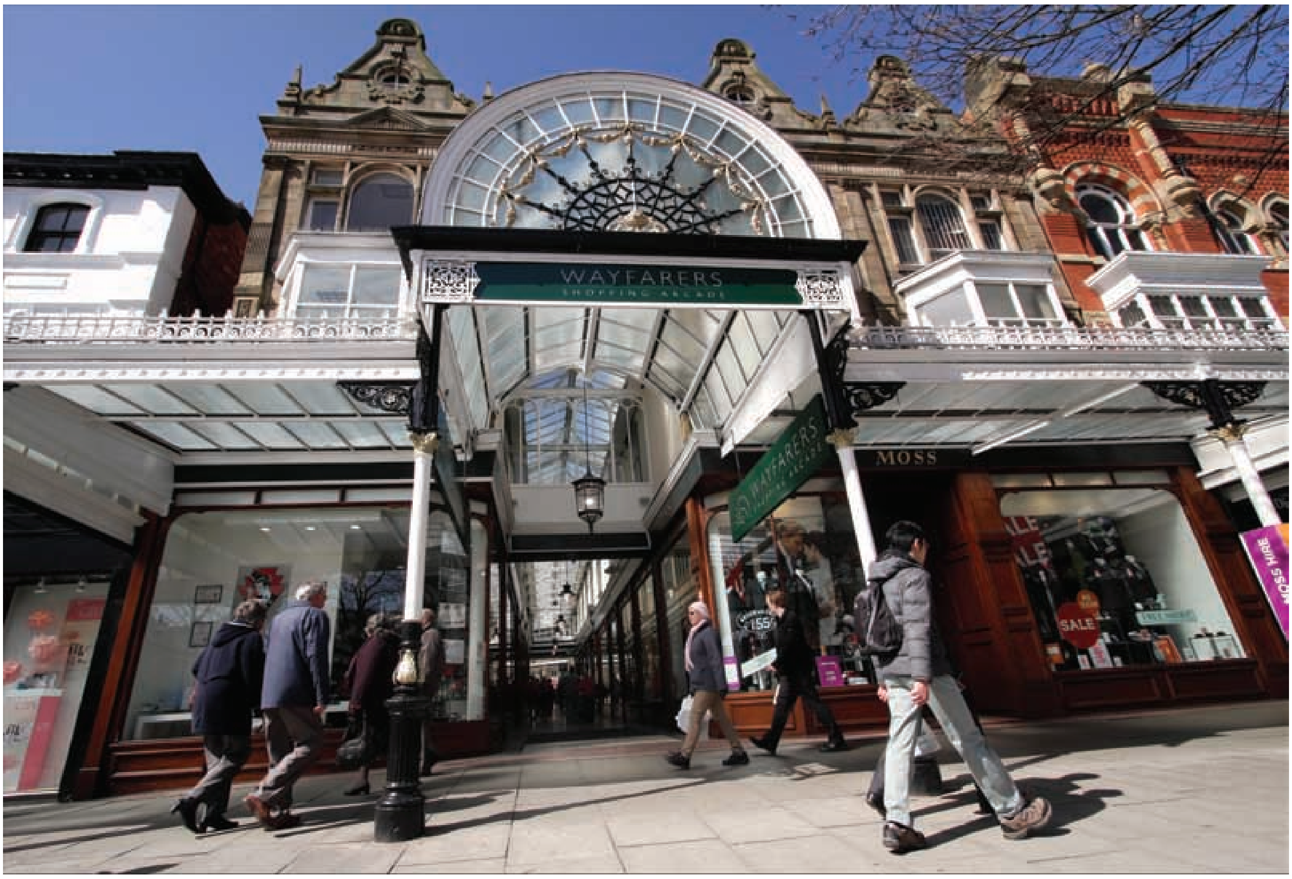
The Companies Act 2006 requires that, if the Company issues new shares for cash or sells any treasury shares, it must first offer them to existing shareholders in proportion to their current holdings. It is proposed that the directors be authorised to issue shares for cash and/or sell shares from treasury up to an aggregate nominal amount of £218,591 (representing approximately 5% of the Company's issued ordinary share capital as at 26 April 2016, the latest practicable date prior to the publication of the notice) without offering them to shareholders first in order to raise a limited amount of capital easily and quickly if needed. The resolution also modifies statutory pre-emption rights to deal with legal, regulatory or practical problems that may arise on a rights or other pre-emptive offer or issue. If resolution 5 is passed, this authority will expire at the same time as the authority to allot shares given pursuant to resolution 6.

Resolution 8 – Purchase of own shares by the Company

If passed, this resolution will grant the Company authority for a period of up to the end of the next annual general meeting to buy its own shares in the market. The resolution limits the number of shares that may be purchased to 5% of the Company's issued share capital as at 26 April 2016, the latest practicable date prior to the publication of the notice. The price per ordinary share that the Company may pay is set at a minimum amount (excluding expenses) of 25 pence per ordinary share and a maximum amount (excluding expenses) of 5% over the average of the previous five business days' middle market prices. The directors will only make purchases under this authority if they believe that to do so would result in increased earnings per share and would be in the interests of the shareholders generally.



Beales' Southport Department Store



Wayfarers Arcade which adjoins and links to Beales' Southport Department Store

Rear half of Wayfarers Arcade Southport

Ten Year Review

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000	£'000
		(restated)						(restated)		
Rental income	**12,840**	12,512	12,502	10,781	8,961	7,717	7,380	7,064	7,526	7,510
Revenue/turnover	**14,443**	14,832	14,319	12,673	11,940	10,085	9,251	9,296	9,516	9,722
Profit or (loss) before tax	**8,470**	4,377	8,155	(4,633)	(2,312)	6,401	2,953	(14,331)	9,089	9,269
Earnings or (loss) per ordinary share	**38.7p**	26.8p	41.7p	(17.2)p	(5.1)p	34.8p	14.7p	(57.3)p	44.3p	43.5p
Dividend per ordinary share*	**22.0p****	12.0p	12.0p	12.0p	12.0p	15.0p**	12.0p	12.0p	12.0p	12.0p
Employment of finance:										
Non current assets/ Fixed assets	**177,014**	175,991	160,373	157,000	139,585	116,099	101,412	100,907	107,005	106,593
Current assets less current liabilities	**(70,764)**	(1,866)	(2,014)	1,893	9,017	(30,308)	21,123	21,808	16,532	16,030
Total assets less current liabilities	**106,340**	174,125	158,893	158,893	148,602	85,791	122,535	122,715	123,542	122,530
Financed by:										
Shareholders' funds (net assets of the group)	**76,017**	71,472	67,876	61,992	66,955	71,222	68,010	65,846	78,608	73,269
Long-term borrowings	**591**	71,058	68,760	68,857	60,252	1,325	43,970	42,500	35,011	36,989
Derivative financial liability	**22,912**	24,475	14,662	20,705	19,928	9,293	6,744	12,021	575	–
Deferred tax/(asset)	**100**	(1,215)	(720)	(1,674)	151	2,648	2,670	2,290	9,321	12,272
Net assets attributable to ordinary shares per 25p ordinary share	**428p**	409p	395p	367p	397p	422p	403p	390p	465p	431p

* Based on those declared in the financial year

** Includes special dividend

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