PANTHER SECURITIES PLC

Interim Report
Six months ended 30 June 2012

Chairman's Statement

Results

Once again I have pleasure in reporting our results for the six months period ending 30 June 2012 which shows a small profit of £257,000 before tax after a further £265,000 loss on our financial derivatives (SWAPS) due to their increased liability.

Our rents receivable during this accounting period increased to £5,286,000 compared to £4,038,000 for the same period last year (due to significant additional investment purchases made last year).

It is most noticeable that in this accounting period we are bearing an extra £1,105,000 of interest charges. This is due to a combination of factors, firstly the £19,500,000 of extra borrowings on the HSBC/Santander facilities (drawn mainly on 28 July 2011) which financed a substantial part of last year's investment purchases. Secondly, we are also subject to an extra 1% margin on this loan (note this is payable on the entire loan not just additional) and finally as HSBC exercised a swaption in December 2011. This fixed our interest rates on another £25,000,000 of our loan (previously £35,000,000 was fixed now £60,000,000 in total) which is significantly at higher rates compared to the floating rate we were subject too.

Whilst there were no property sales during this period we did sell some £675,000 of quoted bank shares at a profit of about £75,000.

Acquisitions during this accounting period

In February 2012 the Company purchased the freeholds of a further three Beales Department Stores, all these being in relatively well-off market towns:-

Lowestoft, Suffolk

The freehold property now known as Beales department store, London Road North, Lowestoft, is a modern store with 21,000 square feet of selling space on two floors, situated on the town's main pedestrianised shopping street close to Tesco Metro supermarket, Sports Direct, BHS department store and Peacocks.

Wisbech, Cambs

This property, now known as Beales department store on Little Church Street, just off The Market Place, is a modern, two storey department store containing 26,000 square feet of selling space, situated in the centre of town.

Beccles, Suffolk

This department store is an older store in two separate sections adjoining but separated by a small vehicular service road and contains approximately 17,000 square feet on mainly ground but also first floor. The property fronts through from Smallgate to The Walk which is close to the centre of this market town and to a Tesco superstore.

All three properties are let on similar leases to Beale PLC, whereby the rent is a share of profits until May 2014, at this date there is a mutual break where we envisage using to negotiate a market rent.

Chairman's Statement

continued

In its announcement made in April 2011, the estimated turnover for these three stores to the Beale Group was approximately £6 million (excluding VAT). The price paid for the freehold properties was £2,347,000 (including stamp duty and legal fees), of which £300,000 is deferred, payable in three years' time.

Huntingdon, Cambs

In February 2012 Panther purchased a factory investment comprising 96,000 square feet (90,000 feet ground floor) of modern factory premises on 5.5 acres on the Stukeley Meadows Industrial Estate, 1 mile north of Huntingdon town centre.

The property is let on an FR&I lease for 15 years from February 2005 at £190,000 per annum exclusive from VIP Polymers Ltd with rent reviews in 2010 (still outstanding) and 2015 to 65% of open market rental value.

The property is held on a long lease for a term of 999 years from February 2005 at a fixed rent of one peppercorn and the price paid was £1,278,000 (including stamp duty).

Wimbledon Studios

On 19th of June we held our A.G.M. at Wimbledon Studios. This event was well attended with about 45 shareholders and business associates who not only enjoyed an excellent lunch provided by the studio canteen but also the unique benefit of having the formal A.G.M. held in the court house setting (where The Bill was filmed) with your Board seated on the Judges Bench. Indeed one awkward shareholder was threatened with removal down to the prison cells! After lunch everyone was taken on a tour of the entire studio facilities thus allowing those who attended to realise what a large operation it entails.

We own the freehold of the studios but also have an equity investment in the trading company, which is making good progress and the management of the studios feel that they may move into profitability in the foreseeable future, but in the meantime we have taken the cautious approach and provided our share of their loss and also against most of the monies that are due to us that were part of the original financing arrangements. The bad debt charge in the income statement relating to Wimbledon Studios in this period is £215,000.

The 200,000 square feet freehold on 4.5 acres is of course owned outright by a Panther subsidiary and thus it is nice to know that the estate was recently awarded "The Best Industrial Estate in London" by the South Wimbledon Business Association (for what it's worth!).

MRG Systems Ltd

MRG Systems Limited our 75% high tech digital display software company, which specialises in the betting shop market, suffered a loss of £155,000 during the period. This was partially caused by the move to larger freehold offices but also by many companies holding back on investment in these uncertain times.

Tenant Activity

During this accounting period we let 38 units totalling £325,000 pa and lost 14 tenants totalling £182,000 pa resulting in a net gain of £143,000 pa.

Whilst letting interest and activity seems to be improving tenants are becoming more demanding in their requirements. This of course means greater costs for the landlord. However once a letting is secured there is invariably an increase in value to the property concerned.

Post Balance Sheet Events

Towards the end of July we disposed of a factory ground rent in Newton Abbot to the occupying tenant for £300,000 this will result in a £100,000 profit. There is a negligible loss of income from the sale.

About the same time we purchased a freehold vacant double shop unit in Scunthorpe for about £250,000. This property is situated in one of the prime corner positions in the High Street. When let we anticipate a high return and an increased capital value.

Dividends

On the 31st July a final dividend of 9p per share was paid to make a total of 12p per share for the year ending 31st December 2011. This year we propose paying an interim dividend of 3p per share on 30th November 2012. Once again a decision on a final dividend will be decided when we have greater certainty of the full years figures and future prospects.

Prospects

Whilst I remain very optimistic, many businesses are facing harder times and greater costs for the most part loaded upon them by an uncomprehending government. As you are aware over the last two years there has been a meaningful increase in our property portfolio mainly through acquisitions and we expect to see the benefit in the medium term as we hope we are buying at the bottom of the market. A relaxation of much of what is often useless regulation could produce a strong stimulus to the economy. There are many potential exciting opportunities for those able to see and take advantage of them (which we believe we are).

Andrew S Perloff
Chairman

28 August 2012

Chairman's Ramblings

One of my mother's favourite stories of my early childhood days was when the country was living under conditions of austerity but for very different reasons than today. Food, clothes and many basic items were rationed after the war and labour saving devices were almost non-existent.

Little luxuries took on an added pleasure. As children we were fortunate enough to live in a house backed by a large garden containing several fruit trees. One of my favourites was our cherry tree and each summer we would gather enough fruit every few days to fill a large brimming bowl. After dinner this delicious bounty was divided up between me, my brothers and sister.

One sunny day, so I am told when I was 5 or 6 years old, I was left inside to my own devices while my mother was outside hanging up the never ending washing. When she came back into the house she saw me sitting at the end of the dining table, the snowy white table cloth now stained and strewn with cherry pips. My hands, face and shirt covered in blood red cherry juice. Astonished and angry, she shouted "Who has made all this mess?" I looked her straight in the eye and calmly said "Harold did it". Harold is my older brother and this was my stock answer when anything was broken, damaged or destroyed.

With the benefit of sixty years of hindsight I realise I should have become a politician for it is a universal truth that when a country suffers problems it is invariably caused by its own politicians who then blame some other country, system, previous political party or Government. This while the cherry juice is still on their faces!

The current culprits are the "bankers" and the secondary culprits are the rich and successful who don't feel obliged to pay over 70% of their income to a bunch of incompetent spendthrifts.

In 20 years' time, chroniclers of the present disastrous recession, I suspect, will look back and put the blame on politicians' deceit and mistakes.

From the comfort of my armchair I recently saw the Governor of the Bank of England on television admit he did not know if any benefit would come from either further "quantitative easing" or lowering of interest rates or indeed what measures would help the British economy to grow.

Although I would not want his job I am more than happy to offer him some suggestions. The first, which goes against everything I have ever believed in my business career, would be to put up interest rates by about 1.5% over the next year. This will encourage banks to lend – at present they pay less than 1% for most instant deposits, and thus with their current hugely increased margins of 4% or 5% they only need to lend £1 for every £5 of deposits to break even on their biggest cost factor (after wages) i.e., to put it simply – IF THEY HAD TO PAY MORE THEY WOULD HAVE TO LEND MORE.

Secondly, cut out the middle man; for part of the total potential lending of the banks.

The Bank of England should reclaim £50 billion of their "quantitative easing" and lend it directly to property companies and industry on the security of their property or business assets on a long term repayment loans basis of 10 to 20 years at margins of between 2%/3% over LIBOR or bank rate in tranches of £5 million plus.

The Bank of England could easily hire 100 to 200 bankers who were made redundant over the last few years on short term contracts and of course with reasonable bonuses.

Naturally, all loans would be adequately secured and it is quite likely that a large part will be repaid to many of the banks that are continuing and needing to downsize or prefer short term lending.

This would resolve the current economy's real problem, namely that there is little long term funding available and most businesses, especially the property industry, has long term investment horizons which after all provides the stability for the whole economy.

Higher interest rates will remove a huge part of the "swaps liability" where assets had to be set aside to provide against their possible payments, thus releasing assets for further activity. It would also likely mitigate the extent of claims relating to missold swaps.

Higher interest rates will considerably reduce the current deficit on pension funds that is draining (and in some cases bankrupting) businesses necessary liquidity for expansion or survival.

Higher interest rates will also begin to reward pensioners and savers who have carefully provided for themselves so as not to be a burden on the state but who have seen no benefit for their caution.

Finally, provision of a large amount of long term funds for the property industry would stabilise property values and should help to increase values by as much as 10% which would vastly improve many banks' balance sheets by considerably reducing a large part of their write-offs. This would help achieve the government's desire to realise profitably on their investment in Lloyds and Royal Bank of Scotland.

However, for all this to be successful this financing must be done quickly.

The High Street is in severe decline. It used to be the centre of much of British life and it is currently faring badly again due to politicians continuing to squeeze the goose that lays the golden eggs with too much taxation, i.e., business rates, in particular with the ultimate stupidity of charging full vacant rates.

Retailers are fighting a war on two fronts. Firstly, the above mentioned government greed and secondly the internet companies who have significantly less exposure to high business rates and no exposure to vacant rates on closed, unproductive stores.

Chairman's Ramblings

continued

I am certain that most retailers find it galling to see many customers visit their stores, view the goods on offer, ask and receive valuable advice on the products that interest them, and then leave the store to purchase over the internet to save money.

Although it goes against the grain to suggest it, why not put a 5% extra VAT on internet sales and at the same time reduce retailers rates proportionately as well as abolishing vacant rate charges?

In my interim 2011 report ramblings I told a story suggesting how reducing VAT on the refurbishment of houses and flats to 5% would give a strategic boost to the British economy.

Perhaps when the politicians have stopped arguing about such pressing matters like how much money to give away overseas, how to reform the House of Lords, or how to legalise gay marriages, they will consult with experienced successful businessmen and women – not celebrities – on how to revitalise a dormant economy.

Few people, including myself who is not a sports fan (although I am the Usain Bolt of the remote control) could have been unimpressed with the London 2012 Olympics. The presentation, the venues, the joyful atmosphere, the complete trouble-free action packed events and even the BBC's programming and presentation was almost faultless.

The British athletes excelled themselves and produced the most successful British Olympiad ever. From my armchair television viewing it appeared to me that our winners were mostly from the aspirational middle classes with great support from parents, family and friends, all of whom had to strive for years to reach the perfection and successes they deserved. The importance of the solid family support shone through, underlining the fact the Government, however benevolent, cannot replace family values but that is a topic for another time ....

When the parties are over and our elected representatives have had time to recover from all their euphoria and self-congratulation, they will realise that the whole country has seen how successful the United Kingdom can be when the 'strivers' are given their headway. Maybe, just maybe, the country's current system of encouraging and rewarding the 'skivers' at the cost of and to the detriment of the 'strivers' will be completely reversed and what a wonderful and successful country and economy we would become.

Andrew S Perloff
Chairman

28 August 2012

Consolidated Income Statement

For the six months ended 30 June 2012

	Notes	**Six months ended 30 June 2012 £'000 Unaudited**	Six months ended 30 June 2011 £'000 Unaudited	Year ended 31 December 2011 £'000 Audited
Revenue	2	**6,206**	5,428	11,940
Cost of sales	2	**(1,942)**	(1,812)	(4,148)
Gross profit		**4,264**	3,616	7,792
Other income		**34**	35	76
Administrative expenses		**(1,556)**	(1,677)	(3,230)
		2,742	1,974	4,638
Movement in fair value of investment properties		**77**	–	5,671
		2,819	1,974	10,309
Share of trading (loss) from associate undertaking		**(103)**	(102)	(171)
Finance costs		**(2,202)**	(1,097)	(2,954)
Investment income		**25**	33	58
Profit on the disposal of available for sale investments (shares)		**75**	139	2,007
Impairment of available for sale investments (shares)	10	**(92)**	(65)	(926)
Fair value (loss) on derivative financial liabilities		**(265)**	(705)	(10,635)
Profit or loss before income tax	2	**257**	177	(2,312)
Income tax credit/(expense)	3	**(195)**	518	1,462
Profit or loss for the period		**62**	695	(850)
Attributable to:				
Equity holders of the parent		**101**	690	(865)
Non-controlling interest		**(39)**	5	15
Profit or loss for the period		**62**	695	(850)
Earnings/(loss) per share				
Basic and diluted	5	**0.6p**	4.1p	(5.1)p

Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2012

	Six months ended 30 June 2012 £'000 Unaudited	Six months ended 30 June 2011 £'000 Unaudited	Year ended 31 December 2011 £'000 Audited
Profit or loss for the period	**62**	695	(850)
Other comprehensive income/(loss)			
Movement in fair value of available for sale investments (shares) taken to equity	**(59)**	(490)	(517)
Realised fair value on disposal of available for sale investments (shares) previously taken to equity	**69**	(140)	(2,366)
Realised fair value on impairment of available for sale investments (shares) previously taken to equity	**–**	–	476
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	**(20)**	181	355
Other comprehensive income/(loss) for the period, net of tax	**(10)**	(449)	(2,052)
Total comprehensive income for the period	**52**	246	(2,902)
Attributable to:			
Equity holders of the parent	**91**	241	(2,917)
Non-controlling interest	**(39)**	5	15
	52	246	(2,902)

Consolidated Statement of Financial Position

As at 30 June 2012

Company number 293147

	Notes	**30 June 2012 £'000 Unaudited**	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
ASSETS				
Non-current assets				
Plant and equipment		**473**	531	489
Investment property	7	**140,370**	112,802	136,491
Goodwill		**8**	8	8
Interest in associate		**–**	25	–
Available for sale investments (shares)	10	**2,271**	5,741	2,597
		143,122	119,107	139,585
Current assets				
Inventories		**357**	388	321
Stock properties		**7,015**	7,075	7,015
Trade and other receivables		**3,926**	3,062	3,815
Cash and cash equivalents		**4,766**	4,798	5,482
		16,064	15,323	16,633
Total assets		**159,186**	134,430	156,218
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Capital and reserves				
Share capital		**4,217**	4,217	4,217
Share premium account		**2,886**	2,886	2,886
Capital redemption reserve		**604**	604	604
Retained earnings		**57,821**	62,913	59,248
		65,528	70,620	66,955
Non-controlling interest		**72**	101	111
Total equity		**65,600**	70,721	67,066
Non-current liabilities				
Long-term borrowings		**62,305**	1,256	60,252
Derivative financial liability		**20,193**	9,998	19,928
Deferred tax liabilities		**243**	1,649	151
Obligations under finance leases		**1,205**	1,206	1,205
		83,946	14,109	81,536
Current liabilities				
Trade and other payables		**7,554**	5,698	7,228
Accrued dividend payable		**1,518**	843	–
Short-term borrowings		**140**	42,640	140
Current tax payable		**428**	419	248
		9,640	49,600	7,616
Total liabilities		**93,586**	63,709	89,152
Total equity and liabilities		**159,186**	134,430	156,218

Consolidated Statement of Changes in Equity

For the six months ended 30 June 2012

	Share Capital £'000	Share Premium £'000	Capital Redemption £'000	Retained Earnings £'000	Non-Controlling Interest £'000	Total £'000
Balance at 1 January 2011 (audited)	4,217	2,886	604	63,515	96	71,318
Total comprehensive income for the period	–	–	–	241	5	246
Dividends due	–	–	–	(843)	–	(843)
Balance at 30 June 2011 (unaudited)	4,217	2,886	604	62,913	101	70,721
Balance at 1 January 2011 (audited)	4,217	2,886	604	63,515	96	71,318
Total comprehensive income for the period	–	–	–	(2,917)	15	(2,902)
Dividends paid	–	–	–	(1,350)	–	(1,350)
Balance at 1 January 2012 (audited)	4,217	2,886	604	59,248	111	67,066
Total comprehensive income for the period	–	–	–	91	(39)	52
Dividends due	–	–	–	(1,518)	–	(1,518)
Balance at 30 June 2012 (unaudited)	4,217	2,886	604	57,821	72	65,600

Consolidated Statement of Cash Flows

For the six months ended 30 June 2012

	Notes	**30 June 2012 £'000 Unaudited**	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Cash flows generated from operating activities				
Profit from operating activities		**2,742**	1,974	4,638
Add: Depreciation charges for the period		**63**	57	122
Add: Loss on sale of plant and equipment		**3**	–	–
Profit before working capital change		**2,808**	2,031	4,760
(Increase) in inventories		**(36)**	(67)	–
Decrease in stock properties		**–**	–	60
(Increase) in receivables		**(215)**	(287)	(1,046)
(Decrease)/increase in payables		**32**	404	1,304
Cash generated from operations		**2,589**	2,081	5,078
Interest paid		**(2,083)**	(1,154)	(2,545)
Income tax received/(paid)		**57**	119	(511)
Net cash generated from operating activities		**563**	1,046	2,022
Cash generated from/(used in) investing activities				
Purchase of plant and equipment		**(50)**	(36)	(59)
Purchase of investment properties	7	**(3,502)**	(2,933)	(20,952)
Purchase of available for sale investments (shares)		**(356)**	–	(693)
Proceeds from disposal of available for sale investments (shares)		**675**	171	3,222
Dividend income received		**19**	17	39
Interest income received		**7**	16	20
Net cash used in investing activities		**(3,207)**	(2,765)	(18,423)
Financing activities				
Repayments of loans	8	**(72)**	(70)	(49,640)
Payment of loan arrangement fees and associated costs		**–**	–	(714)
New loans received		**2,000**	–	67,000
Dividends paid	4	**–**	–	(1,350)
Net cash generated from/(used in) financing activities		**1,928**	(70)	15,296
Net (decrease) in cash and cash equivalents		**(716)**	(1,789)	(1,105)
Cash and cash equivalents at the beginning of period		**5,482**	6,587	6,587
Cash and cash equivalents at the end of period		**4,766**	4,798	5,482

Notes to the Interim Financial Report

For the six months ended 30 June 2012

1. Basis of preparation of accounts

The results for the year ended 31 December 2011 have been audited whilst the results for the six months ended 30 June 2011 and 30 June 2012 are unaudited and this interim report does not constitute statutory accounts.

The interim financial report has been prepared using accounting policies consistent with International Financial Reporting Standards (IFRS) as adopted by the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board and the International Financial Reporting Interpretations Committee and there is an ongoing process of review and endorsement by the European Commission. The financial information has been prepared on the basis of IFRS that the Directors expect to be adopted by the European Union and applicable as at 31 December 2012, in accordance with IAS 34 'Interim Financial Reporting' and DTR 4.2.

The financial information for the year ended 31 December 2011 set out in this interim report does not constitute statutory accounts for that period. The statutory accounts for the year ended 31 December 2011 have been delivered to the Registrar of Companies. The auditors' opinion on these accounts was unqualified and did not contain a statement made under either Section 498(2) or Section 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditor drew attention by way of emphasis. Copies of the statutory accounts are available from the address shown in note 12.

There is no material seasonality associated with the group's activities.

Except as described below, the Interim figures are prepared on the basis of the accounting policies set out in the last annual report to 31 December 2011.

Taxes on income in the interim period are accrued using the tax rate that would be applicable to the expected total annual earnings.

Principal risks and uncertainties for the remaining 6 months of the financial year

The most significant risks to the group's business relate to either property or financing.

Over the remaining six months of the year, a risk is the future value to be placed on property assets. However the group's spread of property types and locations should help to mitigate any downward movement. Further to this the group is lowly geared with surplus cash and loan funds available, so being in a strong position to take advantage of situations arising out of the current economic environment.

Financing within the group is not considered a significant risk or uncertainty due to the high liquidity, low gearing ratio (as a percentage of the investment property portfolio) and the financial derivatives which have been entered into to fix the rate of a substantial amount of the group loans. However, the fair value accounting treatment of financial derivatives can create sizeable swings to the group's accounting profit (as its valuation is very sensitive to small interest rate movements) as these fair value movements are taken through the income statement, however this is preferential to an actual cash flow risk which could arise if the loans were not mainly fixed by these financial instruments.

Statement of Directors' responsibilities

To the best of our knowledge we confirm that this condensed consolidated interim financial information has been prepared in accordance with IAS 34 and that the interim management report and the condensed consolidated interim financial information includes a fair review of the information required by DTR 4.2.7R and DTR 4.2.8R, namely:

- An indication of important events that have occurred during the first six months and their impact on the condensed set of financial statements, and a description of the principal risks and uncertainties for the remaining six months of the financial year; and
- Material related party transactions in the first six months and any material changes in the related party transactions described in the last annual report

The Directors of Panther Securities PLC are listed in the Panther Securities PLC Annual Report for the year ended 31 December 2011 and a list of current Directors is maintained on the Panther Securities PLC website: www.panthersecurities.co.uk.

By order of the board

Andrew Perloff	**Simon Peters**
Chairman	*Finance Director*
28 August 2012	28 August 2012

Notes to the Interim Financial Report

continued

2. Revenue and cost of sales

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

M.R.G. Systems Limited is an operating business segment whose principal activity is that of electronic designers, engineers and consultants. 70% of its revenues arose in the United Kingdom and 100% of its cost of sales.

Tunnel Limited was an operating segment whose principal activity was that of value shoe retailer. Its activities were discontinued in the prior year. 100% of its revenues arose in the United Kingdom. 50% of the company was owned by the Group as a joint venture and only the Group's share is represented in these accounts.

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 or Tunnel Limited.

Turnover arose as follows:	**30 June 2012 £'000 Unaudited**	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Rental income from properties	**5,286**	4,038	8,961
Income from trading (M.R.G. Systems Limited)	**920**	1,261	2,755
Income from trading (Tunnel Limited)	**–**	129	224
	6,206	5,428	11,940

Cost of sales arose as follows:	**30 June 2012 £'000 Unaudited**	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
From rental income	**1,402**	1,060	2,346
Trading (M.R.G. Systems Limited)	**540**	674	1,671
Trading (Tunnel Limited)	**–**	78	131
	1,942	1,812	4,148

2. Revenue and cost of sales continued

Profit/(loss) – before income tax:

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Investing and dealing in properties	**515**	290	(2,161)
Trading share of associate (Wimbledon Studios Limited)	**(103)**	(102)	(171)
Trading (M.R.G. Systems Limited)	**(155)**	21	61
Trading (Tunnel Limited)	**–**	(32)	(41)
	257	177	(2,312)

3. Income tax expense

The charge/(credit) for taxation comprises the following:

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Current period UK corporation tax	**180**	300	678
Prior period UK corporation tax	**(58)**	–	2
	122	300	680
Current period deferred tax	**73**	(818)	(2,142)
Income tax expense/(credit) for the period	**195**	(518)	(1,462)

The taxation charge is calculated by applying the Directors' best estimate of the annual effective tax rate to the profit for the period.

4. Dividends

Amounts recognised as distributions to equity holders in the period:

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Final dividend for the year ended 31 December 2010 of 5p	**–**	844	844
Interim dividend for the year ending 31 December 2011 of 3p per share	**–**	–	506
Final dividend for the year ended 31 December 2011 of 9p (see below)	**1,518**	–	–
	1,518	844	1,350

On the 31 July 2012 the final dividend for the year ended 31 December 2011 of 9p per share, approved by shareholders on 19 June 2012, was paid to shareholders on the register at the close of business on 6 July 2012 (Ex dividend on 4 July 2012). The Directors have proposed an interim dividend of 3p per share to be paid on 30 November 2012 to shareholders on the register at 16 November 2012 (ex-dividend 14 November 2012) for the year ending 31 December 2012.

5. Earnings/(loss) per ordinary share (basic and diluted)

The calculation of earnings per ordinary share is based on earnings, after excluding non-controlling interests, being a profit of £101,000 (30 June 2011 – £690,000 and 31 December 2011 – loss of £865,000) and on 16,869,000 (30 June 2011 and 31 December 2011 – 16,869,000) ordinary shares being the weighted average number of ordinary shares in issue throughout the six months ended 30 June 2012. There are no potential ordinary shares in existence.

6. Net assets per share

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Net assets per share	**388p**	419p	397p

The calculation of net asset per ordinary share is based on the equity attributable to shareholders of the parent company and on 16,869,000 (30 June 2011 and 31 December 2011 – 16,869,000) ordinary shares being the number of ordinary shares in issue at 30 June 2012.

7. Investment Properties

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Fair value of investment property			
At 1 January	**136,491**	108,960	108,960
Additions	**3,802**	2,933	20,952
Fair value adjustment on property held on operating leases	**–**	(1)	(2)
Properties transferred from Stock properties	**–**	910	910
Revaluation increase	**77**	–	5,671
	140,370	112,802	136,491

Three investment properties that were purchased in the period were professionally valued and the revalued amount has been taken into account in the period. The Directors consider that the fair value of the remaining investment property has not materially changed since it was last revalued at the December 2011 statement of financial position date.

Notes to the Interim Financial Report

continued

8. Issuance and repayment of debt in the period

£2,000,000 was drawn from agreed facilities, £72,000 of debt was also repaid in the period.

9. Related party transactions

Wimbledon Studios Ltd, an independent film studios business, is an associate undertaking of Panther Securities PLC as the Group owns 25% of its share capital.

In respect of Wimbledon Studios Limited, during the prior year the Group provided a £400,000 overdraft to the company. The Groups increase in share of the net liabilities has been allocated against the carrying value of the overdraft of £400,000 therefore showing a receivable of £252,000 (following the allocation of a further loss below original cost in 2011 of £44,000) included within trade and other receivables in the consolidated statement of financial position. At the Financial Position date, the Group was also owed rent and insurance of £305,000 (which 60% is provided against) and was also owed £141,500 in relation to the rental of equipment and fixtures (which is fully provided against). All these balances are included within trade and other receivables in the consolidated statement of financial position.

Also included in trade and other receivables is a loan to one independent director of Wimbledon Studios Limited of £62,500, in order so he could purchase his shareholdings in that company. The loan is unsecured for a maximum term of 3 years and attracts interest of 4% per annum. Fair value of this loan is assessed to be the same as its carrying value.

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. There were no other material related party transactions in the periods under review or within the comparative periods.

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10. Available for sale investments (shares)

	30 June 2012 £'000 Unaudited	30 June 2011 £'000 Unaudited	31 December 2011 £'000 Audited
Cost or valuation			
At 1 January	**2,597**	6,452	6,452
Additions	**356**	–	693
Disposals	**(600)**	(16)	(1,215)
Impairment on revaluation through income statement	**(92)**	(65)	(926)
Movement in fair value taken to equity	**(59)**	(490)	(517)
Realised fair value on disposal previously taken to equity	**69**	(140)	(2,366)
Realised fair value on impairment previously taken to equity	**–**	–	476
At 30 June/30 June/31 December	**2,271**	5,741	2,597

Comprising at period end:			
At cost	**529**	529	529
At valuation/net realisable value	**1,742**	5,212	2,068

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 7. The fair value of available for sale investments in unquoted equity securities, which are not publically traded, cannot be measured and have therefore been shown at cost. The valuation of the available for sale investments is sensitive to stock exchange conditions.

Panther Securities PLC holds 19.9% of the issued share capital of Beale PLC at the year end. This has been treated as an investment rather than as an associate under IAS 28, since, apart from holding less than 20% of the issued share capital, the Group could not exercise significant influence.

11. Financing

On 1 June 2012, the Group drew down £2,000,000 from its existing loan facilities. Of its agreed facilities it still has available for drawdown a further £13,000,000.

Note 30 of the statutory accounts for the year ended 31 December 2011 detailed the financial instruments entered into by the group. The same financial instruments held at 31 December 2011 are still held at 30 June 2012.

12. Copies of this report are to be sent to all shareholders and are available from the Company's registered office at Deneway House, 88-94 Darkes Lane, Potters Bar, EN6 1AQ and will also be available for download from our website www.panthersecurities.co.uk.

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