



Interim Report
Six months ended 30 June 2013

Chairman's Statement

Results

I have pleasure in reporting our results for the six months ended 30 June 2013 which shows a profit of £4,864,000 before tax substantially assisted at long last, by a £3,851,000 improvement in our financial derivatives (SWAPS) liability.

Our rents receivable during this accounting period increased to £6,151,000, compared to £5,286,000 for the same period last year (mainly due to significant additional investment purchases made last year).

Disposals

In June 2013, we sold a factory in Princes Risborough for £1,950,000, which gave us a profit of £292,000. This property generated £175,000 per annum but only had three years left on the lease with little prospect of rental growth.

Acquisitions during this accounting period

- In March 2013 we purchased a long leasehold property in **central Liverpool**, being **19-25 Tarleton Street** for £370,000 (including stamp duty). The tenant, JD Sports was in occupation but holding over, and we agreed a two year lease at £85,000 per annum prior to exchange with the lease simultaneously completed as the purchase. This property is situated immediately behind a larger property in Williamson Street purchased by us last year.
- In April 2013 the Group entered into three further contracts to purchase Beale's department stores from the Anglia Regional Co-op Society (ARCS), brief details of which are as follows:
 - 77-87 Lumley Road, Skegness** – this property is being purchased for £1.45 million or £1.65 million (excluding stamp duty) depending on whether certain conditions are met. The freehold building is 50,000 square feet of modern space over three floors in the main shopping street in Skegness. The property should complete in the next couple of months.
 - Park Road, Peterborough** – we have agreed to purchase, and paid a non-returnable deposit. We have up to 14 months to complete this contract. The completion price is £2.25 million (excluding stamp duty) for this department store. This freehold is 130,000 square feet over three floors in the town centre and adjoins the successful main shopping centre in this growing prosperous town.
 - Queen Street, Mansfield** – we have also agreed to purchase, and paid a non-returnable deposit. We have 14 months to complete this contract. The completion price is £2 million or £2.25 million, depending on whether certain conditions are met. This property which is mainly freehold but also part long-leasehold is effectively two properties totalling 150,000 square feet. The freehold is situated in the main shopping street and the long leasehold part is across a pedestrianised road in the town's main shopping centre, the buildings are

Chairman's Statement

continued

connected by two bridges at first floor shopping levels. Part of the freehold is occupied by the Co-op Bank at a rental of £30,000 p.a. which will accrue to us after completion.

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

- In May 2013 we purchased the freehold property, **23-49 High Street and 3-13 Cockburn Street, Falkirk** a multi-let high street retail parade investment for £2.96 million (including stamp duty). The property comprises 16 retail units and vacant offices. 95% of the total current rental income of £480,000 per annum is secured against national multiples. The highlights include a double unit let to Santander (agreed last year) with 19 years remaining and with rents rising to £72,500 in four years time. This investment offers excellent opportunities for long term income and value enhancement by letting the vacant units.

Finance

The above acquisitions have been purchased mainly utilising our existing loan facility. We still have available £3,700,000 on our facility, plus our cash funds which on 30 June 2013 were £4,978,000. We are currently in discussions with our banks, HSBC and Santander, about increasing our revolving loan facility which will give us more potential to invest in further high yielding properties (or the potential for high yields).

Tenant Activity

During this accounting period we let 38 units totalling £590,000 pa and lost 26 tenants totalling £290,000 pa resulting in a net gain of £300,000 pa. Highlights include:

- Two 20 year leases to William Hill at £31,000 per annum and £26,000 per annum in Burton on Trent and Scunthorpe respectively.
- One long term investment at 199-205 High Street, Perth was let to Sainsburys, on a 15 year lease at £47,500 per annum. This is very pleasing as this had been vacant for some time and we now have a very saleable investment.
- A letting to JD Sports as mentioned under Acquisitions, for £85,000 per annum for two years.
- A 10 year letting to Phones 4U in Coatbridge at £30,000 per annum.

Equity in issue and scrip dividends

The final dividend for the year ended 31 December 2012 of 9p per share had a scrip dividend alternative. Shareholders holding 10,489,077 Ordinary Shares, representing 62% of the issued share capital of company, elected to take the scrip dividend.

On 31 July 2013 Panther issued 317,287 Ordinary Shares which are ranked pari passu with existing issued ordinary shares of the company in satisfaction of these dividend payments.

In respect of 2013 the Directors are declaring an interim dividend of 3p per share to be paid on 29 November 2013. Once again a decision on a final dividend will be taken when we have greater certainty of the full year's figures and future prospects but we are expecting to maintain our total dividend at 12p per share.

It is anticipated that in future we will only offer the scrip alternative for the final dividend with the interim paid as cash.

Political Donations

At our annual general meeting held on 14 June 2013, the resolution I submitted to donate £25,000 to the UK Independence Party was hotly debated. The voting went to a poll resulting in 43 shareholders holding a total of 475,642 shares voting in favour and 28 holding a total of 558,603 shares voting against. Therefore the resolution was not passed.

Two voting slips were disallowed as insufficient nominee authority had been obtained. One of which for 90,000 if included would have narrowly passed the resolution.

Shareholders who voted for supporting UKIP will be pleased to know that I decided to make the donation personally.

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

The principal risk and uncertainties faced by the Group have not changed during the six month period under review. A discussion of these risks can be found in the Operating and Financial Review and Corporate Governance sections in the financial statements in respect of the year ended 31 December 2012.

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. 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)

Chairman's Statement

continued

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.

Going concern

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

The 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 interim financial report.

Post Balance Sheet Events

After the period end we sold a small development site for £220,000 which will give the group profit of approximately £80,000.

Prospects

There is no doubt that the UK's economy has started an improving and upward trend which should continue. For all types of businesses this must be of some benefit. The housing market in particular is improving considerably by virtue of government incentive measures even if it is at the risk of creating a future housing price bubble. This bubble could easily be averted if there was a sensible relaxation in the plethora of housing restraints. An initial and obvious one is to abolish all section 106 payments on residential developments on brown field sites.

As always, I consider that our Group are well placed to take advantage of any upturn in the economy.

Andrew S Perloff

Chairman

28 August 2013

Chairman's Ramblings

Last year in my interim report, I mentioned the unfairness of charging full vacant rates and indeed the damage done by this taxation system that is payable and continually increases whether a profit is made or not. This year the CEOs of many of our largest retailers have also taken up the cause, pointing out that the reduction in corporation tax is but a fraction of the increased taxes they pay under different guises.

The delay in rating revaluation was the final insult and misrepresentation when it was stated that the reason for this was to “help” businesses plan their costs.

There are about 100,000 vacant shop premises in our “high streets” each of which, if occupied, would probably generate 5 or more paying jobs. Many retail jobs are available to the less highly qualified school leavers or as stop gap employment for university graduates. Working in a shop needs punctuality, presentable appearance, pleasant interaction with customers and the ability to converse with all levels of people. It seems to be that many first time employees lack these qualities or experience and so any government scheme to improve the retail job market could be considered further education.

There are huge amounts of people who would like to start their own businesses. Their biggest fear is the first few years' running costs; so, if the government allowed local authorities to give all new businesses the first two years rates free and then the next two years at half rates, I suspect within a year we would see at least 30,000 shops taken and thus creating an extra 150,000 jobs – probably double that amount if they are part time jobs. Historically, retail property ownership/ occupation was always taxed highly because most transactions were for cash and unscrupulous retailers were capable of not paying their appropriate share of tax by simply pocketing some of their turnover. Today most payments are via debit or credit cards and retailers can no longer hide their earnings from the tax man, so high rates once required to compensate for the manipulation carried out by cash businesses, are now very unfair and should be changed.

Last year I also questioned the logic of continuing quantitative easing to artificially force interest down to negligible rates. It seems to me the only groups that benefit are the banks who borrow huge amounts for speculation, governments who need to pay for unaffordable promises made to obtain votes, and of course, the impecunious.

Any business that wants to expand will not be unduly fazed by paying 1% or 2% above the normal current rates but they are put off when the charges become considerably higher and worst of all, when they are turned down completely for a loan and usually without a good reason.

Earlier this year, Barnacle Ben (barnacles move very slowly if at all and survive on boats and sea banks under water (get it?)) suggested that the Federal Reserve might start to slow down its purchases of USA government debt – overnight medium term (10 year) interest rates jumped 15 basis points to 2.33% pa. WOW! What would have happened if he had actually stopped the bond purchases?

Chairman's Ramblings

continued

This blip in rates to nearer normality benefited us and probably many others including pension funds but there must be others on the other side of the equation who were or will be losers. When will this show up in hedge funds? What would happen if rates went back to complete historical normality i.e. approximately 2% over inflation?

The new man in charge of the Bank of England was quick to try and contain the perception that quantitative easing would soon cease with limited effect. The cat is out of the bag, interest rates have only one way to go. I believe slightly higher interest rates that everybody believes are sustainable will bring more comfort to businesses than trying to hold them to a level that no one believes is realistic. More importantly higher rates force banks to lend more money to small and medium sized businesses who pay them the highest margins.

As always, I have a story that illustrates my point.

Many years ago, when I was still a young single man, like so many others before a night out, my friends and I would all meet up at one of our homes.

Martin, the father of one of my best friends, was always there as he had retired at a comparatively early age. To some youngsters this would be an intrusion but not to us as he had an endless supply of entertaining stories with which he regaled us.

In his younger days, which were probably in the 40s and 50s, he and his brother owned a hairdressing salon in Mayfair. Their location and cutting edge coiffures made them the hairdresser du jour with celebrities and members of the aristocracy queuing for an appointment.

I'm sure that most of you know, way before hacking was thought of, that the best way to discover a woman's innermost secrets would be to ask her hairdressers. Sitting under the caring scissors of your stylist has a way of loosening the most reticent of tongues.

Martin therefore had a plethora of stories about Lady Docker the IT girl of her day and his favourite client, the countess of this and the duchess of that and tales of the misdeeds of many a young starlet. All of this was fascinating at the time but even then I was really only interested in trading so the stories were heard, enjoyed and forgotten but his business career was not.

After some years in Berkeley Street, the brothers' success led to expansion that required larger premises which they found in Davies Street. Rather than relinquish their current very favourable lease, they transferred it to their sister who opened a high end ladies clothing shop. Due to the brothers' social connections, it soon became a very successful business.

Time moves on inexorably and fashions change and eventually the salon closed its door and Martin went into semi-retirement. However, he did not want to lose contact with the world and people he had nurtured over the years, so he returned to Berkeley Street to help out his sister in her shop.

With his natural charm and always cheerful demeanour, he proved to be a great salesman. He told us that on numerous occasions, he would be asked “Oh Martin, I love this outfit, it fits perfectly, the colour is wonderful, but why is it so expensive?” Martin would then demonstrate the reply he always gave; standing up and spreading his arms wide, he would smile his charming smile and say softly “It’s the profit margin, madam”. He would then laugh to us and say that no-one ever questioned that answer but only thanked him for his helpfulness.

And so it is with the banks, it’s their profit margin, which is now enormous because of the shortage of finance caused by government interference, lack of proper competition and also the absence of any need to pay a proper price for the funds they borrow to onward lend. These conditions have let banks massively increase their profit margins. One of our subsidiary companies MRG Systems Ltd, which runs autonomously, is gradually improving, having struggled for the last few years, always with our full support, had independently organised a flexible overdraft facility of £50,000 with Natwest bank, who recently have arbitrarily told them that their interest rate payable would rise from 3% over LIBOR to 8% over LIBOR i.e. 16 times the bank’s costs to borrow. Even Martin’s sister with her one off dresses only managed a 3 times profit margin!!!!

Andrew S Perloff

Chairman

28 August 2013

Condensed Consolidated Income Statement

For the six months ended 30 June 2013

		Six months ended 30 June 2013 £'000 Unaudited	Six months ended 30 June 2012 £'000 Unaudited	Year ended 31 December 2012 £'000 Audited
	Notes			
Revenue	2	7,054	6,206	12,673
Cost of sales	2	(1,489)	(1,942)	(3,906)
Gross profit		5,565	4,264	8,767
Other income		52	34	84
Administrative expenses		(1,937)	(1,556)	(3,303)
		3,680	2,742	5,548
Profit on disposal on investment properties		292	–	241
Movement in fair value of investment properties		–	77	(4,967)
		3,972	2,819	822
Share of trading (loss) from associate undertaking		(199)	(103)	(152)
Finance costs		(2,571)	(2,202)	(4,466)
Investment income		21	25	63
Profit on the disposal of available for sale investments (shares)		–	75	99
Impairment of available for sale investments (shares)	9	(210)	(92)	(222)
Fair value gain/ (loss) on derivative financial liabilities	11	3,851	(265)	(777)
Profit or loss before income tax	2	4,864	257	(4,633)
Income tax (expense) / credit	3	(1,008)	(195)	1,685
Profit or loss for the period		3,856	62	(2,948)
Attributable to:				
Equity holders of the parent		3,896	101	(2,898)
Non-controlling interest		(40)	(39)	(50)
Profit or loss for the period		3,856	62	(2,948)
Earnings/ (loss) per share				
Basic	5	23.1p	0.6p	(17.2)p
Diluted	5	23.0p	0.6p	(17.2)p

Condensed Consolidated Statement of Comprehensive Income

For the six months ended 30 June 2013

	Six months ended 30 June 2013 £'000 Unaudited	Six months ended 30 June 2012 £'000 Unaudited	Year ended 31 December 2012 £'000 Audited
Profit or loss for the period	3,856	62	(2,948)
Other comprehensive income / (loss)			
Items that may be reclassified subsequently to profit or loss			
Movement in fair value of available for sale investments (shares) taken to equity	(86)	(59)	(83)
Realised fair value on disposal of available for sale investments (shares) previously taken to equity	–	69	68
Deferred tax relating to movement in fair value of available for sale investments (shares) taken to equity	14	(20)	(26)
Total items that may be reclassified subsequently to profit or loss	(72)	(10)	(41)
Other comprehensive (loss) for the period, net of tax	(72)	(10)	(41)
Total comprehensive income/ (loss) for the period	3,784	52	(2,989)
Attributable to:			
Equity holders of the parent	3,824	91	(2,939)
Non-controlling interest	(40)	(39)	(50)
	3,784	52	(2,989)

Condensed Consolidated Statement of Financial Position

As at 30 June 2013

Company number 293147

	Notes	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
ASSETS				
Non-current assets				
Plant and equipment		347	473	401
Investment property	7	155,003	140,370	153,156
Goodwill		8	8	8
Deferred tax asset		866	–	1,674
Available for sale investments (shares)	9	1,465	2,271	1,761
		157,689	143,122	157,000
Current assets				
Inventories		221	357	263
Stock properties		2,714	7,015	2,714
Trade and other receivables		4,891	3,926	4,529
Cash and cash equivalents		4,978	4,766	2,813
		12,804	16,064	10,319
Total assets		170,493	159,186	167,319
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
Equity shares to be issued		944	–	–
Capital redemption reserve		604	604	604
Retained earnings		56,591	57,821	54,285
		65,242	65,528	61,992
Non-controlling interest		21	72	61
Total equity		65,263	65,600	62,053
Non-current liabilities				
Long-term borrowings		71,746	62,305	68,857
Derivative financial liability	11	16,854	20,193	20,705
Deferred tax liabilities		–	243	–
Obligations under finance leases		7,023	1,205	7,278
		95,623	83,946	96,840
Current liabilities				
Trade and other payables		8,580	7,554	8,014
Accrued dividend payable		574	1,518	–
Short-term borrowings		140	140	140
Current tax payable		313	428	272
		9,607	9,640	8,426
Total liabilities		105,230	93,586	105,266
Total equity and liabilities		170,493	159,186	167,319

Condensed Consolidated Statement of Changes in Equity

For the six months ended 30 June 2013

	Share Capital £'000	Share Premium £'000	Equity Shares to be issued £'000	Capital Redemption £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2012 (audited)	4,217	2,886	–	604	59,248	66,955
Total comprehensive income for the period	–	–	–	–	91	91
Dividends due	–	–	–	–	(1,518)	(1,518)
Balance at 30 June 2012 (unaudited)	4,217	2,886	–	604	57,821	65,528
Balance at 1 January 2012 (audited)	4,217	2,886	–	604	59,248	66,955
Total comprehensive income for the period	–	–	–	–	(2,939)	(2,939)
Dividends paid	–	–	–	–	(2,024)	(2,024)
Balance at 1 January 2013 (audited)	4,217	2,886	–	604	54,285	61,992
Total comprehensive income for the period	–	–	–	–	3,824	3,824
Dividends due	–	–	944	–	(1,518)	(574)
Balance at 30 June 2013 (unaudited)	4,217	2,886	944	604	56,591	65,242

Condensed Consolidated Statement of Cash Flows

For the six months ended 30 June 2013

	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Notes			
Cash flows generated from operating activities			
Profit from operating activities	3,680	2,742	5,548
Add: Depreciation charges for the period	64	63	134
Add: Loss on sale of plant and equipment	–	3	3
Add: Loss on impairment of stock properties	–	–	683
Profit before working capital change	3,744	2,808	6,368
Decrease/(Increase) in inventories	42	(36)	58
(Increase) in stock properties	–	–	(494)
(Increase) in receivables	(554)	(215)	(865)
Increase in payables	562	32	492
Cash generated from operations	3,794	2,589	5,559
Interest paid	(2,452)	(2,083)	(4,220)
Income tax (paid)/ received	(144)	57	(143)
Net cash generated from operating activities	1,198	563	1,196
Cash generated from/(used in) investing activities			
Purchase of plant and equipment	(10)	(50)	(49)
Purchase of investment properties	(3,750)	(3,502)	(11,085)
Purchase of available for sale investments (shares)	–	(356)	(356)
Proceeds from sale of investment property	1,942	–	645
Proceeds from disposal of available for sale investments (shares)	–	675	1,055
Dividend income received	15	19	53
Interest income received	6	7	10
Net cash used in investing activities	(1,797)	(3,207)	(9,727)
Financing activities			
Repayments of loans	(73)	(72)	(145)
Payment of loan arrangement fees and associated costs	–	–	(469)
New loans received	2,837	2,000	8,500
Dividends paid	–	–	(2,024)
Net cash generated from financing activities	2,764	1,928	5,862
Net increase/(decrease) in cash and cash equivalents	2,165	(716)	(2,669)
Cash and cash equivalents at the beginning of period	2,813	5,482	5,482
Cash and cash equivalents at the end of period	4,978	4,766	2,813

Notes to the Interim Financial Report

For the six months ended 30 June 2013

1. Basis of preparation of accounts

The results for the year ended 31 December 2012 have been audited whilst the results for the six months ended 30 June 2012 and 30 June 2013 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 IFRS 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 2013, in accordance with IAS 34 'Interim Financial Reporting' and DTR 4.2.

The financial information for the year ended 31 December 2012 set out in this interim report does not constitute statutory accounts for that period. The statutory accounts for the year ended 31 December 2012 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 13.

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 2012.

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

The application of IFRS 13 has had no effect on the accounting policies of the Group. The Directors consider that the application of IFRS 13 has not materially changed the fair value of investment property since it was last revalued at the December 2012 statement of financial position date. Additional disclosures will be required in respect of investment properties. These will be included in the next annual report.

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:

Notes to the Interim Financial Report

continued

- 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 2012 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

Chairman

28 August 2013

Simon Peters

Finance Director

28 August 2013

2. 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 business segment whose principal activity is that of electronic designers, engineers and consultants. 82% 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:	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Rental income from properties	6,151	5,286	10,781
Income from trading (M.R.G. Systems Limited)	903	920	1,892
	7,054	6,206	12,673

Cost of sales arose as follows:	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Rental income	1,002	1,402	2,202
Impairment of stock property	-	-	683
Trading (M.R.G. Systems Limited)	487	540	1,021
	1,489	1,942	3,906

Profit/(loss) – before income tax:	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Investing and dealing in properties	5,025	412	(4,436)
Trading (M.R.G. Systems Limited)	(161)	(155)	(197)
	4,864	257	(4,633)

Notes to the Interim Financial Report

continued

3. Income tax expense

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

	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Current period UK corporation tax	285	180	372
Prior period UK corporation tax	(100)	(58)	(206)
	185	122	166
Current period deferred tax	823	73	(1,851)
Income tax expense/ (credit) for the period	1,008	195	(1,685)

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 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Final dividend for the year ended 31 December 2011 of 9p	–	1,518	1,518
Interim dividend for the year ending 31 December 2012 of 3p per share	–	–	506
Final dividend for the year ended 31 December 2012 of 9p (see below)	1,518	–	–
	1,518	1,518	2,024

On 31 July 2013 the final dividend for the year ended 31 December 2012 of 9p per share, (approved by shareholders on 14 June 2013), was paid to shareholders on the register at the close of business on 21 June 2013 (Ex dividend on 19 June 2013). This dividend had a scrip alternative (see note 12). Pursuant to the scrip dividend 317,287 new ordinary shares were issued.

4. Dividends continued

The Directors have proposed an interim dividend of 3p per share to be paid on 29 November 2013 to shareholders on the register at 15 November 2013 (ex-dividend 13 November 2013) for the year ending 31 December 2013.

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

The calculation of basic and diluted earnings per ordinary share is based on earnings, after excluding non-controlling interests, being a profit of £3,896,000 (30 June 2012 –£101,000 and 31 December 2012 – loss of £2,898,000).

The basic earnings per share are based on 16,869,000 (30 June 2012 and 31 December 2012 – 16,869,000) ordinary shares. The diluted earnings assume that the 317,287 ordinary shares to be issued are in existence at 30 June 2013, making a total of 17,186,287 ordinary shares at this time.

Both calculations uses the weighted average number of ordinary shares in issue throughout the six months ended 30 June 2013, with the diluted calculation assuming that the additional shares are in existence when the obligation arises. The company had the obligation for two weeks during the accounting period as they were approved by shareholders on 14 June 2013.

6. Net assets per share

	30 June 2013 Unaudited	30 June 2012 Unaudited	31 December 2012 Audited
Net assets per share	380p	388p	367p

The calculation of net asset per ordinary share is based on the equity attributable to shareholders of the parent company and on 17,186,287 (30 June 2012 and 31 December 2012 – 16,869,000) ordinary shares, being the 16,869,000 ordinary shares in issue plus the 317,287 shares to be issued at 30 June 2013 (30 June 2012 and 31 December 2012 – nil).

Notes to the Interim Financial Report

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7. Investment Properties

	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Fair value of investment properties			
At 1 January	153,156	136,491	136,491
Additions	3,750	3,802	11,385
Fair value adjustment on property held on operating leases	–	–	6,540
Properties transferred to Stock properties	(253)	–	(500)
Properties transferred from Stock properties	–	–	4,612
Disposals	(1,650)	–	(405)
Revaluation increase/ (decrease)	–	77	(4,967)
	155,003	140,370	153,156

The Directors consider that the fair value of the investment properties has not materially changed since it was last revalued at the December 2012 statement of financial position date.

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

Accordingly, the Group's share of net liabilities as at 30 June 2013 of £395,000 has been allocated against the carrying value of the £547,000 overdraft provided by the Group to the associate as noted below.

8. Related party transactions continued

Group transactions with associate:

	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Rent receivable from associate recognised in year	223	223	445
Trade receivables and accrued income	1,038	621	787
Trade receivables and accrued income – overdue	999	447	532
Provision	(916)	(325)	(632)
Other receivables – overdraft facility drawn	547	400	400
Provision on overdraft	(395)	(148)	(196)

Included in Group trade and other receivables is a loan to one independent director of Wimbledon Studios Limited of £62,500, in order that 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 period under review or within the comparative periods.

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9. Available for sale investments (shares)

	30 June 2013 £'000 Unaudited	30 June 2012 £'000 Unaudited	31 December 2012 £'000 Audited
Cost or valuation			
At 1 January	1,761	2,597	2,597
Additions	–	356	356
Disposals	–	(600)	(955)
Impairment on revaluation through income statement	(210)	(92)	(222)
Movement in fair value taken to equity	(86)	(59)	(83)
Realised fair value on disposal previously taken to equity	–	69	68
At 30 June/ 30 June/ 31 December	1,465	2,271	1,761
Comprising at period end:			
At cost	529	529	529
At valuation / net realisable value	936	1,742	1,232

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 30 June 2013. This has been treated as an investment rather than as an associate under IAS 28, since, apart from holding less than 20% of the issued share capital, the Group does not have the ability to exercise significant influence.

10. Financing

On 14 May 2013, the Group drew down £2,837,000 from its existing loan facilities (the £37,000 related to an overdraft drawn by MRG Systems Ltd). Of its agreed facilities it still has available for drawdown a further £3,700,000.

Note 30 of the statutory accounts for the year ended 31 December 2012 detailed the financial instruments entered into by the group. The same financial instruments held at 31 December 2012 are still held at 30 June 2013.

11. 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.

	30 June 2013 £'000		30 June 2012 £'000		31 December 2012 £'000	
	Unaudited	Rate	Unaudited	Rate	Audited	Rate
Bank loans						
Interest is charged as to:						
Fixed/ Hedged						
HSBC Bank plc*	35,000	7.06%	35,000	7.06%	35,000	7.06%
HSBC Bank plc**	25,000	6.63%	25,000	6.63%	25,000	6.63%
Unamortised loan arrangement fees	(558)		(808)		(683)	
Floating element						
HSBC Bank plc	11,300		2,000		8,500	
Natwest Bank plc	1,107		1,252		1,180	
	71,849		62,444		68,997	

Bank loans totalling £60,000,000 (2012 – £60,000,000) are fixed using interest rate swaps removing the Group exposure to fair value interest rate risk. Other borrowings are arranged at floating rates, thus exposing the Group to cash flow interest rate risk.

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

	Hedged amount £'000	Average rate	Duration of contract remaining 'years'	30 June 2013 Fair value £'000 Unaudited	30 June 2012 Fair value £'000 Unaudited	31 December 2012 Fair value £'000 Audited
Derivative Financial Liability						
Interest rate swap	35,000	5.06%	25.2	(11,919)	(14,263)	(14,504)
Interest rate swap	25,000	4.63%	8.4	(4,935)	(5,930)	(6,201)
				(16,854)	(20,193)	(20,705)
Net fair value gain/ (loss) on derivative financial assets				(3,851)	(265)	(777)

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

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

Interest rate derivatives are shown at fair value in the income statement, and are classified as level 2 in the fair value hierarchy specified in IFRS 7.

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.

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.

12. Issue of equity/ scrip dividend

As stated in note 4 the final dividend of 9p per share for the year ended 31 December 2012 was payable on 31 July 2013.

This dividend had a scrip dividend alternative. The last day for electing to take the scrip alternative was 5 July 2013 and the reference price was 297.5p.

Shareholders holding 10,489,077 Ordinary Shares, representing 62% of the issued share capital of the Company, elected to take the scrip dividend.

Accordingly on 31 July 2013 the company allotted 317,287 new Ordinary Shares which will rank pari passu with the existing issued ordinary shares of the Company.

As the obligation to issue these new ordinary shares was present as at 30 June 2013, they have been accounted for as equity shares to be issued as at that date.

- 13.** 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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