Panther Securities P.L.C.

Final Results for the
Year ended 31 December 2014

CHAIRMAN'S STATEMENT

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

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

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

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

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

Regarding the valuation, some of the increase related to our sites that have residential development value and thus saw larger than average increases on these. However, a big factor and nearly a third of this increase was due to the letting achieved at the former Wimbledon Studios. The net effect of the combined property and swap valuations resulting from the low interest rates is fortunately still positive this year.

RENTS

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

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

ACQUISITIONS

Park Road, Peterborough

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

Maynard Road, Canterbury

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

Queen Street, Mansfield
As previously reported, we have contracted to complete the purchase of this department store in July 2015 at a price of £2,000,000 to £2,250,000 (depending on conditions). This property, which is mainly freehold but also part long leasehold, is effectively two properties totalling over 180,000 Sq ft. The freehold directly fronts onto the main pedestrianised shopping street and the long leasehold part is inside the town's principal shopping centre, with an entrance facing our store. The buildings are connected by two covered shopping bridges at the first floor levels. Part of the freehold is occupied by the Co-op Bank at a rental of £30,000 pa which will accrue to us after completion.

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

DEVELOPMENT PROGRESS

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

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

A number of our other properties have secured permission for a change of use, from offices or factories to residential units and we will either sell to residential developers or may carry out one or two office to residential conversions ourselves in order to let the flats and retain the resultant investment.

1a-6a Bruce Grove, Wickford
In 2013 we were refused planning consent for a residential development of these outdated factory units. We challenged the grounds for the opposition which we felt were unfounded. We are delighted that our appeal was successful and we now have planning consent for 49 houses, subject to negotiation of the S.106 agreement. We own two-thirds of the development site with the remaining third owned by two other parties. We anticipate selling this site to a third party developer in due course.

Old Inn House, 2 Carshalton Road, Sutton
We are also delighted to report that under the permitted development rules we have received consent to convert the mostly vacant four floors of offices to 28 flats in this prosperous London commuter suburb. Our well performing retail parade on the ground floor of this building will be unaffected and is fully let.

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

8-12 High Street, Broadstairs

In early 2014 our planning consent on this site expired. We have been successful in obtaining a new 3 year consent to demolish these three buildings and replace them with a new development of 4,000 Sq ft of retail space, with 12 flats above in this desirable coastal town. We are receiving increased interest on this retail space, with some applicants having a national covenant. A pre-let to a strong covenant will underwrite the building of the whole development. Our former planning permission was not implemented due to the previous downturn in the market.

Wimbledon Studios, 1 Deer Park Road, London

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

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

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

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

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

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

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

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

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

Well the funds provided made it possible for the business and property to be fully marketed over the following nine months, allowing Panther to maximise the number of competitive offers in many combinations such as, for the business plus freehold or just the freehold for redevelopment and finally a rental offer from Marjan. Our Board unanimously took the view that the rental offer was best for Panther and of course were very pleased with this transaction. The independent revaluation more than justified that decision and the Board agreed to pay

£250,000 as a fee to my private company for its support of the deal. Neither I nor my private company accrued any money out of the receivership of Wimbledon Studios Limited.

TENANT ACTIVITY

During the accounting year, excluding acquisitions and disposals, we lost a total of 49 tenants who produced approximately £1,762,514 pa net. During the same period we gained 103 tenants at rents totalling £2,360,065 pa net, yielding a net gain of £597,551pa, before allowing for tenant incentives, etc.

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

POLITICAL DONATIONS

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

DIVIDENDS

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

POST BALANCE SHEET EVENTS

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

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

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

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

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

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

PROSPECTS

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

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

Andrew S Perloff
CHAIRMAN

28 April 2015

CHAIRMAN'S RAMBLINGS

"NO MORE BOOM & BUSTS"

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

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

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

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

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

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

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

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

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

I immediately dropped my knife and fork, my face flushed and I was temporarily dumbstruck, my appetite vanished and finding my face 2'6" away from this vision of delight, I sat motionless for two or three minutes before I rediscovered my normal witty conversation "can I pass you the salt?" and "do you work near here?"

We all had such a pleasant conversation for the next half hour that I lost track of time and was met with frosty glares when I returned to the office 20 minutes late. Over the next week, my friend and I went back daily to this expensive restaurant but we never saw this Aphrodite of the Salad Bowl again.

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

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

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

The basement at Panther House had available units ideal for his purposes; high ceilings, a clear space of 1500 Sq ft, no natural lighting and in good condition. He came to see the unit and took it immediately paying over twice the previous rent which had been charged for storage purposes. For the next ten years he used it almost exclusively for glamour shots and consequently Panther House regularly had Page 3 Girls coming to reception asking for his studio and needed to be escorted through the labyrinth of corridors. This was not an unpleasant duty.

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

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

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

The anti-Page 3 Girl's focus groups would have restricted their freedom to earn a good living. These models, like footballers, mostly have only a limited window of opportunity for high earning and in my opinion there is only one person who gave these women true liberation and that was Margaret Thatcher and her various chosen Chancellors.

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

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

LIES, DAMNED LIES, POLITICIANS AND TAXATION

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

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

If three or four people break into your home whilst you are there, threaten you with weapons and take your possessions they are called robbers and if caught, are usually severely punished with long prison sentences.

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

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

The small gang of people who have to be chosen by the masses are called Politicians. To make it easier to be a "chosen one" Politicians divide themselves into different feral groups. Each group chooses a section of the masses they believe are easiest to bribe with gifts of benefits, money (that is not theirs) or promises to protect the country or the environment or rights over others such as employers. Nearly all Politicians have similarities; they are persuasive speakers, they have a mastery of avoiding any questions they do not wish to answer, they excel at looking after their personal interests but their foremost interest however is in gaining or retaining power.

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

Nearly all the problems of current times are caused by these Kleptocrats buying votes and restricting freedoms. The costs of the trough their snouts feed from is infinitesimal in comparison to the incredible wastefulness that is created by the very bureaucracy that has to be established to confiscate money from each person to be handed out to someone deemed by them to be more needy.

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

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

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

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

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

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

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

Yours despairingly,

Andrew S Perloff
CHAIRMAN

28 April 2015

GROUP STRATEGIC REPORT

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

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

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

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

Key Ratios and measures

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

* Debt in short and long term loans, excluding any liability on financial derivatives
**Profit before taxation excluding interest, less movement on investment properties and on financial instruments and impairments, divided by interest

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

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

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

The letting of Wimbledon Studios has had a significant impact on these financial statements and the Group. In particular we received £2,625,000, being two and a half years' rent in advance, although we only recognise the element that relates to the rent for the year being £175,000. As such our income statement is comparable to the prior year but our cash generation was very strong, being £1,900,000 higher than last year.

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

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

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

Financing

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

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

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

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

Financial derivative

We have seen a sizeable fair value loss in our long term liability on derivative financial instruments of £9.6 million (2013: £6.0 million fair value gain). Following this loss, our total derivative financial liability on our Consolidated Statement of Financial Position is £24.5 million (2013: £14.7 million). We are disappointed with this increase in this liability but trust that when long-term interest rates normalise this liability should reduce significantly.

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

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

Financial Risk Management

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

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

Price risk

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

Credit risk

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

Liquidity risk

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

Interest rate risk

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

Other non financial risks

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

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

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

S. J. Peters
Company Secretary

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

Dated: 28 April 2015

CONSOLIDATED INCOME STATEMENT
For the year ended 31 December 2014

	Notes	31 December 2014 £'000	31 December 2013 £'000
Revenue		12,512	12,502
Cost of sales		(4,000)	(2,851)
Gross profit		8,512	9,651
Other income		291	96
Administrative expenses		(2,602)	(2,744)
		6,201	7,003
(Loss)/ profit on disposal of investment properties		(57)	385
Movement in fair value of investment properties	3	13,110	742
		19,254	8,130
Share of trading loss from associate undertaking	6	-	(208)
Finance costs		(5,263)	(5,226)
Investment income		21	24
Loss on disposal of plant and equipment		(22)	-
Reversal of impairment / (impairment) of available for sale investments (shares)		33	(522)
Fair value (loss)/ gain on derivative financial liabilities	4	(9,813)	6,043
Profit before income tax		4,210	8,241
Income tax credit/ (expense)		315	(1,082)
Profit for the year from continuing operations		4,525	7,159
Profit/ (loss) for the year from discontinuing operations		167	(86)
Profit for the year		4,692	7,073
Attributable to:			
Equity holders of the parent		4,525	7,159
Non-controlling interest		-	-
Profit for the year		4,525	7,159
Discontinuing operations attributable to:			
Equity holders of the parent		125	(65)
Non-controlling interest		42	(21)
Profit/ (loss) for the year		167	(86)
Earnings/ (loss) per share			
Basic and diluted – continuing operations	1	26.1p	42.1p
Basic and diluted – discontinuing operations	1	0.7p	(0.4)p

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
For the year ended 31 December 2014

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

CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Company number 293147
As at 31 December 2014

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

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

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

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 31 December 2014

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

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

CONSOLIDATED STATEMENT OF CASH FLOWS
For the year ended 31 December 2014

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

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

General Information

While the financial information included in this preliminary announcement has been prepared in accordance with International Financial Reporting Standards (IFRSs), this announcement does not itself contain sufficient information to comply with IFRSs. The Group has also published full financial statements that comply with IFRSs available on its website and to be circulated shortly.

The financial information set out in the announcement does not constitute the company's statutory accounts for the years ended 31 December 2014 or 2013. The financial information for the year ended 31 December 2013 is derived from the statutory accounts for that year, which were prepared under IFRSs, and which have been delivered to the Registrar of Companies. The auditors reported on those accounts, their report was unqualified and did not contain a statement 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 auditors drew attention by way of emphasis.

The financial information for the year ended 31 December 2014 is derived from the audited statutory accounts for the year ended 31 December 2014 on which the auditors have given an unqualified report, that did not contain a statement under section 498(2) or 498(3) of the Companies Act 2006 and did not include references to any matters to which the auditors drew attention by way of emphasis. The statutory accounts will be delivered to the Registrar of Companies following the company's annual general meeting.

The accounting policies adopted in the preparation of this preliminary announcement are consistent with those set out in the latest Group Annual financial statements. There is no material seasonality associated with the Group's activities.

Going concern

The Group is strongly capitalised, has considerable 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 financial statements.

1. Dividends

Amounts recognised as distributions to equity holders in the period:

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

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

2015 (Ex dividend on 18 June 2015). The full dividend for the year ended 31 December 2014 is anticipated to be 12p per share.

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

2. Earnings per ordinary share (basic and diluted)

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

3. Investment property

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

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

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

	2014 £'000	2013 £'000
Cost of investment properties	118,243	114,716

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

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

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

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

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

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

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

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

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

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

4. Derivative financial instruments

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

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

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

Financial instruments for Group and Company

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

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

* Fixed rate came into effect on 1 September 2008. Rate includes 2% margin. The contract includes mutual breaks, the first potential one was on 23 November 2014 (and every 5 years thereafter).
** This arrangement came into effect on 1 December 2011 when HSBC exercised an option to enter the Group into this interest swap arrangement. The rate shown includes a 2% margin. This contract includes a mutual break on the fifth anniversary and its duration is until 1 December 2021.
Interest rate derivatives are shown at fair value in the income statement, and are classified as level 2 in the fair value hierarchy specified in IFRS 13.

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

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

Interest rate risk

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

Treasury management

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

5. Events after the statement of financial position date

See note 7 for details of the sale of share in Beale PLC. After the year end the Directors of the Group have made the decision to stop marketing MRG Systems Limited for sale.

6. Investment in associate undertaking

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

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

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

7. 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 the accounts (see online) as well as the Directors' emoluments in notes and the Directors' Report.

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

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

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

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

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

Copies of the full set of Report and Accounts will be posted to shareholders shortly, will be available from the Company's registered office at Deneway House, 88-94 Darkes Lane, Potters Bar, Hertfordshire, EN6 1AQ and are available for download on the Group's website **www.panthersecurities.co.uk**.

Panther Securities PLC **+44 (0) 1707 667 300**
Andrew Perloff, Chairman
Simon Peters, Finance Director

Sanlam Securities UK Ltd **+44 (0) 2076 282 200**
David Worlidge
Virginia Bull