Panther Securities P.L.C.

Interim Results for the six months ended 30 June 2015

CHAIRMAN'S STATEMENT

I am pleased to be able to report our results for the six month ended 30 June 2015, which show a profit before tax of £3,958,000 compared to £3,335,000 for the same period the previous year. The results for the six month ended 30 June 2015 include an improvement in our interest rate swap liability of £2,747,000.

RENTS

Our rents receivable during the current period amount to £6,463,000 compared to £6,124,000 for the six month period ended 30 June 2014. However, our turnover figure of £7,293,000 includes the turnover of MRG Systems Ltd ("MRG"), which is no longer held for sale. There is no change from the independent valuation of our December 2014 investment properties and it is anticipated we will commission another independent valuation for the year end accounts.

ACQUISITIONS

During this period we completed the purchase of the freehold and long leasehold of Beales department store in Mansfield at a total cost of £2,256,000, which includes a deposit paid in prior years of £231,000.

DISPOSAL

We sold a small site in Barrhead, Glasgow for £230,000, which although showed a £25,000 loss on valuation had never produced an income for us and therefore was considered a satisfactory sale and a good profit on our original cost. We sold our Beales shares for £244,000 cash, which was half their December 2014 book value. The circumstances were fully explained in last year's Annual Report under post Balance sheet events.

DEVELOPMENT PROGRESS

Holloway Head, Birmingham

The demolition of the site is nearly complete, having been delayed because we had to employ specialist asbestos removal contractors to deal with part of the former building structure. The planning application for the entire site including the Girl Guides building, which separates our two owned sites, has now been submitted to provide 487 residential units and approximately 5,000 sq ft of commercial use.

1a-6a Bruce Grove, Wickford

The sale of this site is agreed in principle. There is a complicated ownership structure as part of the site is not owned by Panther, but we are in agreement with all other parties and our solicitors have been instructed accordingly.

Old Inn House, 2 Carshalton Road, Sutton

The upper part of this property is under offer for sale to a residential conversion specialist, and if successful, will produce a substantial and useful realisation of the increased value we recognised last year.

Templegate House, High Street, Orpington

We had received planning permission for the upper part of this building, currently in office use, to be converted into residential units. However, due to the current shortage of office space in this area, we have received good offers to rent the offices, leaving the office section of this building nearly fully let and producing a return better than a proposed sale for conversion. We hope to be able to let the ground floor shops soon.

TENANT ACTIVITY

During the accounting half year, excluding acquisitions and disposals, we lost a total of 19 tenants who produced approximately £267,000 pa net. During the same period we gained 33 tenants at rents totalling £324,000 pa net, yielding a net gain of £57,000 pa, before allowing for tenant incentives, etc.

POLITICAL DONATIONS
At our Annual General Meeting held on 19 June 2015, the resolution I submitted to donate £25,000 to the UK Independence Party was hotly debated. The voting went to a poll (with me abstaining) resulting in the resolution being passed.

EVENTS AFTER THE STATEMENT OF FINANCIAL POSITION DATE

Wembley
In July 2015 we sold two freehold factories on our Wembley estate for £3,500,000 which had produced £152,500 pa. This sale produced a pleasing profit on valuation, which will be included in the full year's results when concluded.

Stonehouse, Gloucester
We sold our freehold vacant factory attached to the MRG offices for £275,000, this will benefit both us and MRG (our subsidiary company) who no longer have to carry the vacancy costs.

FINANCE
We have agreed terms to renew our existing facilities on similar terms with our Bankers, HSBC and Santander. The agreement is subject to contract and their credit committee approval.

DIVIDENDS
It is anticipated that a minimum dividend of 12p per share will be paid in respect of the year ending 31 December 2015. The Directors have declared an interim dividend of 9p per share to be paid on 27 November 2015 to shareholders on register at 13 November 2015 and a recommendation to declare a minimum of 3p per share final dividend will be made at our AGM, which is likely to be held in June 2016.

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

Andrew S Perloff
Chairman

15 September 2015

CHAIRMAN'S RAMBLINGS

My youngest daughter recently finished her GCSE exams and the seemingly endless summer holiday loomed – and it's interesting to note that it seems that the more expensive the school fees the longer the holidays are.

The possibility of work experience was suggested and I thought it would be a useful opportunity for her to hopefully learn something outside the halls of academia as well as filling two weeks of holiday time.

Work! But it seemed to me that it was only a short while ago that on our annual trek to the South of France, she was securely strapped in her baby seat at the back while my wife and I had to continuously sing along with Barney the Friendly Dinosaur's entire repertoire from Dover to Antibes. We only wished that Barney had followed his ancestors and was extinct. Consequently with the advent of portable DVD players (what a blessing!) we were treated to the non-stop playing of Bugsy Malone followed by testing the bounce-ability of our bed and in-depth exploration of the mini bar when we stopped for the night. But the years pass …

As luck would have it, I was able to secure her an offer of two weeks training at a south coast department store. This was no mean feat, as it involved arranging for her to stay with close relatives, who fortuitously lived a half hour train ride from the store. She would have to take an 8:00 am train journey then walk half a mile to the store and, of course, repeat the whole thing on the way home. This I suspect may have been a rather daunting prospect for a much shielded and cosseted youngster.

Once the arrangements were confirmed and my wife grudgingly agreed, I put the suggestion to my daughter. She was surprisingly ambivalent about my suggestion and said "Yes, that seems OK". I was delighted with this reply, which was one of our longer and more pleasant conversations.

I informed the store who then sent an Employment Contract offer. From this moment on, my wife became a nervous wreck, worrying about all manner of possible problems, risks or remote possible accidents, which could befall our daughter. I laughingly dismissed these possibilities, however a murder took place at the town while she was there, followed shortly thereafter by the Shoreham air disaster!

However, the letter soon arrived and it contained a couple of forms to be completed with personal details together with an employment contract of about 6 - 8 foolscap pages of store rules with information on how to dress, flexibility of work hours, how to behave and so on. I went through it and my first thought was to instruct a QC. However, upon reflection I thought better of it and decided to let her read it and make the most of it.

What I noticed, however, was the £5 per hour she was to receive for a 37.5 hour week. The £5 struck a nostalgic chord with me because this was my weekly wage when I started work over 50 years ago and instantly my thoughts drifted back to my first job offer. This offer of employment was on my prospective firm's headed paper, not much bigger than a compliment slip and my terms of employment were stated in a six line paragraph, so simple that a 10 year old could understand it.

I wondered why so many extra forests needed to be cleared to produce the paper for these hugely extended employment contracts. So I read it slowly, in more detail, (there was little on TV that night) and I realised it was all there to protect the employing company from possible costly actions against them by either customers, employees, health and safety officials or any political incorrect remarks or incidents. Nowadays, claims are mostly brought by lawyers working on a contingency fee basis, acting for clients, who never even knew they had a claim.

From my own 50 years of being self-employed, I suspect that the majority of this necessity for Company self-protection, has come from the myriad of new laws giving increased rights and privileges to employees, rights to consumers, rights to minorities, ethically, religious or sexuality or protection from offensive/insensitive remarks and so much more, that I cannot immediately remember. There seldom seems to be obligations on the other side.

These new laws increased greatly in number after the UK joined the European Club and agreed to pay them large sums to protect some of their archaic systems, which they have slowly but surely foisted onto us.

However, I cannot get away from the fact that my daughter thoroughly enjoyed her stint at the store. She was kept usefully active most of the time and made many new friends, as she became part of the family that the staff of a large department store seems to be. I have no doubt she learnt a lot about having to deal with all types of people previously unknown to her.

All the new laws under which we suffer are produced by politicians, most of whom have never owned or managed or worked in a commercial business which depends upon profits to pay their wages and pensions. These politicians are advised by bureaucrats, who have also never owned, managed or worked in a commercial business. Also, I believe both politicians and bureaucrats are often similarly educated in a system that has a definite left- wing bias that never quite escapes them, that is against success and wealth, however created and obtained, having little knowledge of the benefits for the entire country that can be derived from individual economic success.

These politicians then go on to introduce new laws and extra taxation, which usually has a hidden agenda for their own personal benefit, sometimes merely the buying of votes, which help to keep them in power – power being their ultimate goal.

Unfortunately, because of their lack of business experience and knowledge together with their Marxist tendencies they cause considerable unintentional consequences. I have previously mentioned the business rates debacle, where due to the rise of internet shopping, most retailers were selling less on the High Street. Therefore if they were able to expand and open a new shop they would pay proportionally less rent. Commercial rates are meant to be related to rental value. This government saw that due to the forthcoming rating revaluation there would be a big reduction in rates receipts in 2015 under the then existing rules. Consequently they delayed the revaluation for two years exacerbating the trading situation for many retailers outside of central London.

The politicians proudly proclaim that they have reduced corporation tax but this is only paid on realised profits, whereas the rates are paid, regardless of whether you make a profit or not and by diktat go upwards only. The Chairman of John Lewis, one of this country's best loved and most successful store groups recently pointed out this unfair anomaly, whereby they pay £2.50 in commercial rates for every £1 in corporation tax. This is a successful and profitable group so how much more unfair and possibly disastrous would it be for a retail group that is not as successfully profitable. The charging of vacant rates is so obviously unfair I will not mention the absurdity of it.

It is always very satisfying to be generous and be able to benefit people who are less well off than yourself. It is especially pleasing if you can do it with other people's money.

The raising of the minimum wage is a case in point. Those businesses in the service industry, such as retailers, pubs, hotels, maintenance companies are going to be hit hard with this imposition. The government's own figures suggest 50/60,000 people may lose their jobs from this measure. Often their bean counters are not particularly good on estimates, especially as they do not understand all of the ramifications of their measures i.e. offshoring for much cheaper labour costs and of course extra immigration from unskilled labour coming from countries who have labour rates a fraction of the UK, making the UK an even more attractive destination.

Remember the 7,000 Polish people who were likely to arrive here under new rules? The final number was closer to 700,000!

What is the answer to all these problems caused by the complete business naivety of our leaders?

My solution is "WORK EXPERIENCE".

All new Ministers should have six months' work experience in a medium sized company in a managerial capacity, where they are forced to deal with the complexities of the laws they have made. I also further propose that to give them a greater focus and incentive they must invest half their total wealth (including pension) in the company they "work experience" for and then see if their new taxation and laws are sensible enough for their investment to survive.

I wonder how they would fare?

Andrew S Perloff
Chairman

15 September 2015

Panther Securities P.L.C.

CONDENSED CONSOLIDATED INCOME STATEMENT
for the six months ended 30 June 2015

	Notes	Six months ended 30 June 2015 £'000 Unaudited	Six months ended 30 June 2014 £'000 Restated Unaudited	Year ended 31 December 2014 £'000 Restated Audited
Revenue	2	7,293	7,501	14,832
Cost of sales	2	(2,372)	(2,135)	(5,044)
Gross profit		4,921	5,366	9,788
Other income		270	104	283
Administrative expenses		(1,235)	(1,840)	(3,698)
		3,956	3,630	6,373
Loss on disposal of investment properties		(25)	-	(57)
Movement in fair value of investment properties		-	2,992	13,110
		3,931	6,622	19,426
Finance costs		(2,620)	(2,621)	(5,268)
Investment income		16	19	21
Loss (realised) on the disposal of available for sale investments (shares)		(244)	-	-
Reversal of impairment of available for sale investments (shares)		128	21	33
Loss on disposal of plant and equipment		-	-	(22)
Movement in derivative financial liabilities	7	2,747	(706)	(9,813)
Profit before income tax		3,958	3,335	4,377
Income tax (expense)/ credit	3	(1,422)	(245)	315
Profit for the period		2,536	3,090	4,692
Attributable to:				
Equity holders of the parent		2,541	3,065	4,650
Non-controlling interest		(5)	25	42
Profit for the period		2,536	3,090	4,692

Earnings per share

Basic and diluted - continuing business	5	14.5 p	17.8 p	26.8 p

Panther Securities P.L.C.

CONDENSED CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME
for the six months ended 30 June 2015

	Six months ended 30 June 2015 £'000 Unaudited	Six months ended 30 June 2014 £'000 Restated Unaudited	Year ended 31 December 2014 £'000 Restated Audited
Profit for the period	2,536	3,090	4,692
Total comprehensive income for the period	2,536	3,090	4,692
Attributable to:			
Equity holders of the parent	2,541	3,065	4,650
Non-controlling interest	(5)	25	42
	2,536	3,090	4,692

Panther Securities P.L.C.

CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL POSITION
Company number 293147
As at 30 June 2015

	Notes	30 June 2015 £'000	30 June 2014 £'000	31 December 2014 £'000
ASSETS		Unaudited	Unaudited	Audited
Non-current assets				
Plant and equipment		187	203	185
Investment property	6	175,285	163,141	173,412
Deferred tax asset		113	731	1,215
Available for sale investments (shares)		818	1,154	1,179
		176,403	165,229	175,991
Current assets				
Inventories (MRG)		79	-	-
Stock properties		991	1,450	991
Assets classified as held for sale (MRG)		-	700	535
Trade and other receivables		4,937	4,932	4,433
Cash and cash equivalents*		4,905	4,034	5,335
		10,912	11,116	11,294

Total assets		187,315	176,345	187,285
EQUITY AND LIABILITIES				
Equity attributable to equity holders of the parent				
Capital and reserves				
Share capital		4,372	4,297	4,372
Share premium account		4,692	3,750	4,692
Equity shares to be issued		863	1,017	-
Capital redemption reserve		604	604	604
Retained earnings		62,771	60,743	61,804
		73,302	70,411	71,472
Non-controlling interest		77	65	82
Total equity		73,379	70,476	71,554
Non-current liabilities				
Long-term borrowings		72,107	70,008	71,058
Derivative financial liability	7	21,728	15,368	24,475
Obligations under finance leases		7,037	7,042	7,038
		100,872	92,418	102,571
Current liabilities				
Trade and other payables		10,733	8,956	11,681
Accrued dividend payable		711	530	-
Short-term borrowings		1,140	3,140	1,140
Liabilities classified as held for sale (MRG)		-	440	228
Current tax payable		480	385	111
		13,064	13,451	13,160
Total liabilities		113,936	105,869	115,731
Total equity and liabilities		187,315	176,345	187,285

*Of this balance £239,000 (30 June 2014: £nil, 31 December 2014: £247,000) is restricted by the Group's lenders i.e. it can only be used for purchase of investment property.

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CONDENSED CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

for the six months ended 30 June 2015

	Share Capital	Share Premium	Equity Shares to be issued	Capital Redemption	Retained Earnings	Total
	£'000	£'000	£'000	£'000	£'000	£'000
Balance at 1 January 2014 (audited)	4,297	3,750	-	604	59,225	67,876
Total comprehensive income for the period	-	-	-	-	3,065	3,065
Dividends due	-	-	1,017	-	(1,547)	(530)
Balance at 30 June 2014 (unaudited)	4,297	3,750	1,017	604	60,743	70,411

Balance at 1 January 2014 (audited)	4,297	3,750	-	604	59,225	67,876
Total comprehensive income for the period	-	-	-	-	4,650	4,650
Dividends	75	942	-	-	(2,071)	(1,054)
Balance at 1 January 2015 (audited)	4,372	4,692	-	604	61,804	71,472
Total comprehensive income for the period	-	-	-	-	2,541	2,541
Dividends due	-	-	863	-	(1,574)	(711)
Balance at 30 June 2015 (unaudited)	4,372	4,692	863	604	62,771	73,302

Panther Securities P.L.C.

CONDENSED CONSOLIDATED STATEMENT OF CASH FLOWS
for the six months ended 30 June 2015

	Notes	**30 June 2015 £'000 Unaudited**	**30 June 2014 £'000 Restated Unaudited**	**31 December 2014 £'000 Restated Audited**
Cash flows generated from operating activities				
Profit from operating activities		3,956	3,630	6,373
Add: Depreciation charges for the period		51	64	116
Add: Loss on write down of stock properties		-	-	259
Less: Rent paid treated as interest		(272)	(272)	(544)
Profit before working capital change		3,735	3,422	6,204
(Increase)/ decrease in inventory		(13)	42	79
(Increase)/ decrease in receivables		(92)	39	439
(Decrease)/ increase in payables		(1,165)	(15)	2,517
Cash generated from operations		2,465	3,488	9,239
Interest paid		(2,234)	(2,230)	(4,457)
Income tax paid		49	(242)	(188)
Net cash generated from operating activities		280	1,016	4,594
Cash generated used in investing activities				
Purchase of plant and equipment		-	(18)	(89)
Purchase of investment properties	6	(2,123)	(1,965)	(3,171)
Purchase of available for sale investments (shares)		-	-	(63)
Proceeds from sale of investment property		225	-	1,193
Proceeds from sale of plant and equipment		1	-	29
Proceeds from sale of available for sale investments (shares)		244	-	-
Dividend income received		11	11	11

Interest income received		8	8	10
Net cash used in investing activities from continuing operations		(1,634)	(1,964)	(2,080)
Financing activities				
New loans received		1,000	1,197	1,197
Repayments of loans		(76)	(73)	(1,180)
Dividends paid	4	-	-	(1,054)
Net cash generated from financing activities from continuing operations		924	1,124	(1,037)
Net increase in cash and cash equivalents		(430)	176	1,477
Cash and cash equivalents at the beginning of period		5,335	3,858	3,858
Cash and cash equivalents at the end of period*		4,905	4,034	5,335

*Of this balance £239,000 (30 June 2014: £nil, 31 December 2014: £247,000) is restricted by the Group's lenders i.e. it can only be used for purchase of investment property.

Panther Securities P.L.C.

NOTES TO THE INTERIM FINANCIAL REPORT
for the six months ended 30 June 2015

1. Basis of preparation of accounts

The results for the year ended 31 December 2014 have been audited whilst the results for the six months ended 30 June 2014 and 30 June 2015 are unaudited.

The financial information set out in this interim financial report does not constitute statutory accounts as defined in Section 434 of the Companies Act 2006. The Group's statutory accounts for the year ended 31 December 2014 which were prepared under International Financial Reporting Standards ("IFRS") as adopted for use in the European Union, were filed with the Registrar of Companies. The auditors reported on these accounts, their report was unqualified and did not include reference to any matters to which the auditors drew attention by way of emphasis without qualifying their report and did not contain any statements under Section 498 (2) or Section 498 (3) of the Companies Act 2006.

These condensed consolidated interim financial statements are for the six month period ended 30 June 2015. They have been prepared using accounting policies consistent with IFRS as adopted for use in the European Union. IFRS is subject to amendment and interpretation by the International Accounting Standards Board ("IASB") 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 Board of Directors expect to be applicable as at 31 December 2015.

The Group has ceased plans to sell MRG Systems Ltd, one of its subsidiary companies, and as such the company is no longer classified as held for sale. Accordingly, the Condensed Consolidated Income Statement, Condensed Consolidated Statement of Comprehensive Income, Condensed Consolidated

Statement of Cash Flows and related notes have been restated for the year ended 31 December 2014 and the period ended 30 June 2014 to include the results of MRG Systems Ltd within continuing operations.

There are no new standards, interpretations and amendments, effective for the first time from 1 January 2015, that have had a material effect on the financial statements of the Group.

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.

MRG Systems Ltd is an operating business segment whose principal activity is that of electronic designers, engineers and consultants. 66% of its revenue 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 MRG Systems Ltd.

Turnover arose as follows:	30 June 2015 £'000 Unaudited	30 June 2014 £'000 Restated Unaudited	31 December 2014 £'000 Restated Audited
Rental income	6,463	6,124	12,512
Income from trading (MRG Systems Ltd)	830	1,377	2,320
	7,293	7,501	14,832

Cost of sales arose as follows:	30 June 2015 £'000 Unaudited	30 June 2014 £'000 Restated Unaudited	31 December 2014 £'000 Restated Audited
Cost of sales from rental income	2,049	1,451	4,000
Cost of sales from trading (MRG Systems Ltd)	323	684	1,044
	2,372	2,135	5,044

3. Income tax expense

The charge for taxation comprises the following:

	30 June 2015	30 June 2014	31 December 2014

	£'000 Unaudited	£'000 Restated Unaudited	£'000 Restated Audited
Current period UK corporation tax	320	256	260
Prior period UK corporation tax	-	-	(80)
	320	256	180
Current period deferred tax	1,102	(11)	(495)
Income tax expense for the period	1,422	245	(315)

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 2015 £'000 Unaudited	30 June 2014 £'000 Unaudited	31 December 2014 £'000 Audited
Final dividend for the year ended 31 December 2013 of 9p	-	1,547	1,547
Interim dividend for the year ending 31 December 2014 of 3p per share	-	-	524
Final dividend for the year ended 31 December 2014 of 9p (see below)	1,574	-	-
	1,574	1,547	2,071

On 31 July 2015 the final dividend for the year ended 31 December 2014 of 9p per share, (approved by shareholders on 19 June 2015), was paid to shareholders on the register at the close of business on 19 June 2015 (Ex dividend on 18 June 2015). This dividend had a scrip alternative (see note 8). Pursuant to the scrip dividend 259,634 new ordinary shares were issued.

The Directors have declared an interim dividend of 9p per share to be paid on 27 November 2015 to shareholders on the register at 13 November 2015 (ex-dividend 12 November 2015) for the year ending 31 December 2015.

5. Earnings 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 on continuing and discounting operations. Being a profit from continuing operations of £2,541,000 (30 June 2014 – £3,065,000 and 31 December 2014 – £4,650,000).

The basic earnings per share is based on the weighted average of the ordinary shares in existence throughout the period, being 17,502,944 to 30 June 2015 (17,336,791 to 31 December 2014 and 17,204,430 to 30 June 2014. There no potential shares in existence for any period therefore diluted and basic earnings per share are equal.

6. Investment Properties

	30 June 2015 £'000 Unaudited	30 June 2014 £'000 Unaudited	31 December 2014 £'000 Audited
Fair value of investment properties			
At 1 January	173,412	158,184	158,184
Additions	2,123	1,965	3,171
Fair value adjustment on property held on operating leases	-	-	(3)
Properties transferred from Stock properties	-	-	200
Disposals	(250)	-	(1,250)
Revaluation increase	-	2,992	13,110
	175,285	163,141	173,412

The directors consider that the fair value of the investment properties has not materially changed since it was last valued at the 31 December 2014 Statement of Financial Position date.

7. 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 2015 £'000		30 June 2014 £'000		31 December 2014 £'000	
Bank loans	Unaudited	Rate	Unaudited	Rate	Audited	Rate
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	(58)	(308)	(182)
Floating element			
HSBC Bank plc	12,497	12,497	11,497
Natwest Bank plc	808	959	883
	73,247	73,148	72,198

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

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

	Hedged amount	**Average rate**	**Duration of contract remaining**	**30 June 2015 Fair value**	**30 June 2014 Fair value**	**31 December 2014 Fair value**
	£'000		**years**	**£'000**	**£'000**	**£'000**
				Unaudited	**Unaudited**	**Audited**
Derivative Financial Liability						
Interest rate swap	35,000	5.06%	23.19	(17,400)	(11,443)	(19,282)
Interest rate swap	25,000	4.63%	6.42	(4,328)	(3,925)	(5,193)
				(21,728)	(15,368)	(24,475)
Movement in derivative financial liabilities				2,747	(706)	(9,813)

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

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

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

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.

8. Issue of equity/ scrip dividend

As stated in note 4 the final dividend of 9p per share for the year ended 31 December 2014 was paid on 31 July 2015.

This dividend had a scrip dividend alternative. The last day for electing to take the scrip alternative was 3 July 2015 and the reference price was 332.5p.

Shareholders holding 9,592,088 Ordinary Shares, representing 54.9% of the issued share capital of the Company, elected to take the scrip dividend.

Accordingly on 6 August 2015 the Company issued 259,634 new Ordinary Shares which 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 2015, they have been accounted for as equity shares to be issued as at that date.

9. Net asset value per share

	30 June 2015 £'000 Unaudited	30 June 2014 £'000 Unaudited	31 December 2014 £'000 Audited
Basic and diluted	413p	403p	409p

10. 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.pantherplc.com.

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