
PANTHER INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

for the year ended 31 December 2007

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PANTHER INVESTMENT PROPERTIES LIMITED

COMPANY INFORMATION

DIRECTORS

A S Perloff
S J Peters
J T Doyle
J H Perloff

SECRETARY

S J Peters

COMPANY NUMBER

1107006

REGISTERED OFFICE

Panther House
38 Mount Pleasant
London
WC1X 0AP

AUDITORS

Nexia Smith & Williamson
Chartered Accountants & Registered Auditors
Prospect House
2 Athenaeum Road
Whetstone
London
N20 9YU

PANTHER INVESTMENT PROPERTIES LIMITED

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PANTHER INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2007

The directors present their report and the financial statements for the year ended 31 December 2007

STATEMENT OF DIRECTORS' RESPONSIBILITIES

The directors are responsible for preparing the Annual report and the financial statements in accordance with applicable law and regulations

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). The financial statements are required by law to give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to

- select suitable accounting policies and then apply them consistently,
- make judgments and estimates that are reasonable and prudent,
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements,
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 1985. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

PRINCIPAL ACTIVITIES

The principal activity of the company during the year continued to be that of property dealing and investment.

BUSINESS REVIEW

The directors are pleased with the results for the year and expect the position of the company to be maintained during the next year.

RESULTS AND DIVIDENDS

The profit for the year, after taxation, amounted to £1,739,279 (2006 - £769,290).

A final dividend of £2,000,000 (£10,000 per share) (2006 - £1,000,000 (£5,000 per share)) on ordinary shares was paid during the year.

DIRECTORS

The directors who served during the year were

A S Perloff
S J Peters
J T Doyle
J H Perloff

PANTHER INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT for the year ended 31 December 2007

FINANCIAL RISK MANAGEMENT

The company is a member of the Panther Securities PLC group. The principal activity of the individual companies within the group is property investment and dealing. The financial risk management procedures set out below are employed by all companies within the Panther Securities PLC group. The group's 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 group has in place a risk management programme that seeks to limit the adverse effects on the financial performance of the group by monitoring levels of debt finance and the related finance costs. The group also uses derivative financial instruments to protect against adverse interest rate movements, no hedge accounting is applied.

Given the size of the 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 group's finance department.

Price risk

The group is exposed to price risk due to normal inflationary increases in the purchase price of the goods and services in purchases in the UK. The group also has a 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 group has 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 group actively ensures liquidity by maintaining a long-term finance facility and also holds significant cash deposits which are both to ensure the group has sufficient available funds for operations and planned expansions.

Interest rate risk

The group has both interest bearing assets and interest bearing liabilities. Interest bearing assets are cash balances which earn interest at fixed rate. The group has a policy of only borrowing debt to finance the purchase of cash generating assets. The directors will revisit the appropriateness of this policy should the group operations change in size or nature.

COMPANY'S POLICY FOR PAYMENT OF CREDITORS

The company agrees terms and conditions for transactions with suppliers and payment is made on these terms, subject to the supplier meeting the agreed terms and conditions.

PROVISION OF INFORMATION TO AUDITORS

Each of the persons who are directors at the time when this Directors' report is approved has confirmed that

- so far as that director is aware, there is no relevant audit information of which the company's auditors are unaware, and
- each director has taken all the steps that ought to have been taken as a director in order to be aware of any information needed by the company's auditors in connection with preparing their report and to establish that the company's auditors are aware of that information.

PANTHER INVESTMENT PROPERTIES LIMITED

DIRECTORS' REPORT
for the year ended 31 December 2007

AUDITORS

The auditors Nexia Smith & Williamson will be proposed for reappointment in accordance with section 385 of the Companies Act 1985

This report was approved by the board on

28/4/08

and signed on its behalf



S. J. Peters
Secretary

PANTHER INVESTMENT PROPERTIES LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PANTHER INVESTMENT PROPERTIES LIMITED

We have audited the financial statements of Panther Investment Properties Limited for the year ended 31 December 2007, which comprise the Profit and Loss Account, Statement of Total Recognised Gains and Losses, Note of Historical Cost Profits and Losses, Balance Sheet and related notes numbered 1 to 19. These financial statements have been prepared in accordance with the accounting policies set out therein.

This report is made solely to the company's members, as a body, in accordance with Section 235 of the Companies Act 1985. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an Auditors' report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

RESPECTIVE RESPONSIBILITIES OF DIRECTORS AND AUDITORS

The directors' responsibilities for preparing the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice) are set out in the Statement of directors' responsibilities.

Our responsibility is to audit the financial statements in accordance with relevant legal and regulatory requirements and International Standards on Auditing (UK and Ireland).

We report to you our opinion as to whether the financial statements give a true and fair view and are properly prepared in accordance with the Companies Act 1985. We also report to you whether in our opinion the information given in the Directors' report is consistent with the financial statements.

In addition we report to you if, in our opinion, the company has not kept proper accounting records, if we have not received all the information and explanations we require for our audit, or if information specified by law regarding directors' remuneration and other transactions is not disclosed.

We read the Directors' report and consider the implications for our report if we become aware of any apparent misstatements within it.

BASIS OF AUDIT OPINION

We conducted our audit in accordance with International Standards on Auditing (UK and Ireland) issued by the Auditing Practices Board. An audit includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the financial statements. It also includes an assessment of the significant estimates and judgments made by the directors in the preparation of the financial statements, and of whether the accounting policies are appropriate to the company's circumstances, consistently applied and adequately disclosed.

We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or other irregularity or error. In forming our opinion we also evaluated the overall adequacy of the presentation of information in the financial statements.

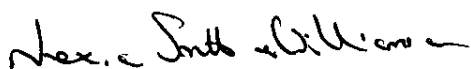
PANTHER INVESTMENT PROPERTIES LIMITED

**INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF PANTHER INVESTMENT
PROPERTIES LIMITED**

OPINION

In our opinion

- the financial statements give a true and fair view, in accordance with United Kingdom Generally Accepted Accounting Practice, of the state of the company's affairs as at 31 December 2007 and of its profit for the year then ended,
- the financial statements have been properly prepared in accordance with the Companies Act 1985, and
- the information given in the Directors' report is consistent with the financial statements



NEXIA SMITH & WILLIAMSON

Chartered Accountants
Registered Auditors

Prospect House
2 Athenaeum Road
Whetstone
London
N20 9YU

Date

9 July 2008

PANTHER INVESTMENT PROPERTIES LIMITED

PROFIT AND LOSS ACCOUNT
for the year ended 31 December 2007

	Note	2007 £	2006 £
TURNOVER	1,2	1,759,906	1,533,662
Cost of sales		(201,893)	(249,499)
GROSS PROFIT		1,558,013	1,284,163
Administrative expenses		(86,514)	(50,400)
OPERATING PROFIT	3	1,471,499	1,233,763
EXCEPTIONAL ITEMS			
Net profit on sale of investment property	6	266,228	-
PROFIT ON ORDINARY ACTIVITIES BEFORE INTEREST		1,737,727	1,233,763
Dividends received		74	-
Profit on disposal of investments		360	-
Interest receivable		16,398	10
Interest payable	4	(1,714)	-
PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION		1,752,845	1,233,773
Tax on profit on ordinary activities	5	(13,566)	(464,483)
PROFIT ON ORDINARY ACTIVITIES AFTER TAXATION	13	1,739,279	769,290

All amounts relate to continuing operations

The notes on pages 9 to 15 form part of these financial statements

PANTHER INVESTMENT PROPERTIES LIMITED

STATEMENT OF TOTAL RECOGNISED GAINS AND LOSSES
for the year ended 31 December 2007

	2007 £	2006 £
PROFIT FOR THE FINANCIAL YEAR	1,739,279	769,290
Unrealised surplus on revaluation of investment properties	4,072	1,151,886
Tax on realised gain on disposal of investment property	18,448	-
TOTAL RECOGNISED GAINS AND LOSSES RELATING TO THE YEAR	1,761,799	1,921,176

NOTE OF HISTORICAL COST PROFITS AND LOSSES
for the year ended 31 December 2007

	2007 £	2006 £
REPORTED PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,752,845	1,233,773
Realisation of valuation gains of previous periods	49,836	458,961
HISTORICAL COST PROFIT ON ORDINARY ACTIVITIES BEFORE TAXATION	1,802,681	1,692,734
HISTORICAL PROFIT FOR THE YEAR AFTER TAXATION	1,789,115	1,228,251

The notes on pages 9 to 15 form part of these financial statements

PANTHER INVESTMENT PROPERTIES LIMITED

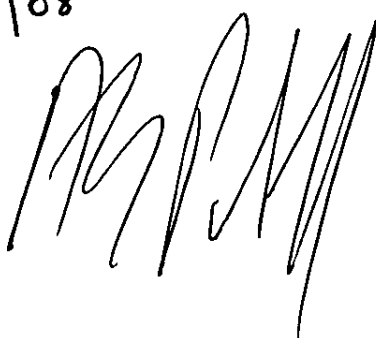
BALANCE SHEET
as at 31 December 2007

	Note	£	2007	£	£	2006	£
FIXED ASSETS							
Investment property	7			24,400,000		20,760,500	
CURRENT ASSETS							
Stocks	8	1,236,941			1,236,941		
Debtors	9	305,505			289,860		
Cash at bank		185,677			191,744		
				<u>1,728,123</u>		<u>1,718,545</u>	
CREDITORS: amounts falling due within one year	10	(12,063,053)			(8,175,774)		
NET CURRENT LIABILITIES				(10,334,930)		(6,457,229)	
TOTAL ASSETS LESS CURRENT LIABILITIES				<u>14,065,070</u>		<u>14,303,271</u>	
CAPITAL AND RESERVES							
Called up share capital	12			200		200	
Share premium account	13			98,900		98,900	
Investment property reserve	13			12,799,808		12,845,572	
Profit and loss account	13			1,166,162		1,358,599	
SHAREHOLDERS' FUNDS	14			<u>14,065,070</u>		<u>14,303,271</u>	

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

28/4/08

A S. Perloff
Director



PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS for the year ended 31 December 2007

1 ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements have been prepared under the historical cost convention and in accordance with applicable accounting standards

1.2 TURNOVER

Turnover relating to investment properties represents the value of rents receivable for tenancy occupation in the year to 31 December. Any amounts received in advance or arrears are deferred or accrued as necessary.

Turnover relating to the sale of stock properties is recognised when contracts are exchanged unconditionally.

1.3 OPERATING LEASES

Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term, except where the period to the review date on which the rent is first expected to be adjusted to the prevailing market rate is shorter than the full lease term, in which case the shorter period is used.

1.4 STOCKS

Stocks are valued at the lower of cost and net realisable value.

1.5 DEFERRED TAXATION

Full provision is made for deferred tax assets and liabilities arising from all timing differences between the recognition of gains and losses in the financial statements and recognition in the tax computation.

A net deferred tax asset is recognised only if it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax assets and liabilities are calculated at the tax rates expected to be effective at the time the timing differences are expected to reverse.

Deferred tax assets and liabilities are not discounted.

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

1 ACCOUNTING POLICIES (continued)

1.6 INVESTMENT PROPERTIES

Investment properties are accounted for in accordance with SSAP 19 as follows

- i) investment properties are revalued annually by the directors and by independent professional valuers at intervals of not more than three years. The surplus or deficit on revaluation is transferred to the revaluation reserve unless a deficit, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year, and
- ii) no depreciation is provided in respect of leasehold investment properties with over 20 years to run

Although the Companies Act would normally require the systematic annual depreciation of fixed assets, the directors believe that the policy of not providing depreciation is necessary to give a true and fair view, since the current value of investment properties, and the changes to that current value, are of prime importance rather than a calculation of systematic annual depreciation. Depreciation is only one of many factors reflected in the valuation, and the amount which might otherwise have been included cannot be separately identified or quantified.

2. TURNOVER

The whole of the turnover and profit before taxation is attributable to the principal activity of the company.

All turnover arose within the United Kingdom.

3. OPERATING PROFIT

The operating profit is stated after charging

	2007 £	2006 £
Operating lease rentals		
- plant and machinery	<u>80,048</u>	<u>80,058</u>

During the year, no director received any emoluments (2006 - £NIL)

At the year end there were no directors accruing pension benefits

4. INTEREST PAYABLE

	2007 £	2006 £
Other interest payable	<u>1,714</u>	<u>-</u>

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

5. TAXATION

	2007 £	2006 £
ANALYSIS OF TAX CHARGE IN THE YEAR		
UK corporation tax charge on profit for the year	44,919	372,567
Adjustments in respect of prior periods	(31,353)	91,916
TAX ON PROFIT ON ORDINARY ACTIVITIES	13,566	464,483

FACTORS AFFECTING TAX CHARGE FOR THE YEAR

The tax assessed for the year is lower than (2006 - lower than) the standard rate of corporation tax in the UK (30%). The differences are explained below

	2007 £	2006 £
Profit on ordinary activities before tax	1,752,845	1,233,773
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 30% (2006 - 30%)	525,854	370,132
EFFECTS OF:		
Expenses and income not deductible for tax purposes	8,977	6,000
Capital allowances for year in excess of depreciation	(2,912)	(3,565)
Group relief	(487,000)	-
Adjustments to tax charge in respect of prior periods	(31,353)	91,916
CURRENT TAX CHARGE FOR THE YEAR (see note above)	13,566	464,483

FACTORS THAT MAY AFFECT FUTURE TAX CHARGES

There were no factors that may affect future tax charges

6 EXCEPTIONAL ITEMS

	2007 £	2006 £
Profit on sale of investment properties	266,228	-

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

7 INVESTMENT PROPERTY

	Freehold property £
COST AND VALUATION	
At 1 January 2007	20,760,500
Additions at cost	4,040,428
Disposals	(405,000)
Surplus/(deficit) on revaluation	4,072
At 31 December 2007	<u>24,400,000</u>

Land and buildings held at 31 December 2007 were revalued at market value by DTZ Holdings plc, Chartered Surveyors in accordance with the Statement of Asset Valuation Practice and Guidance Notes published by R I C S

At 31 December 2007, £23,025,000 (2006 - £19,385,000) and £1,375,000 (2006 - £1,375,000) included within the net book value of land and buildings relates to freehold and leasehold land and buildings respectively

On the historical cost basis, land and buildings would have been included as £11,600,192 (2006 - £7,914,927)

REVALUATION RESERVES

At 1 January 2007	12,845,572
Net surplus in investment properties	4,072
Realised on disposal	(49,836)
At 31 December 2007	<u><u>12,799,808</u></u>

8. STOCKS

	2007 £	2006 £
Property	<u>1,236,941</u>	<u>1,236,941</u>

9 DEBTORS

	2007 £	2006 £
Trade debtors	275,079	220,952
Other debtors	22,746	16,623
Prepayments and accrued income	7,680	52,285
	<u><u>305,505</u></u>	<u><u>289,860</u></u>

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

**10 CREDITORS:
AMOUNTS FALLING DUE WITHIN ONE YEAR**

	2007	2006
	£	£
Trade creditors	26,314	55,902
Amounts owed to group undertakings	11,299,492	7,524,030
Corporation tax	26,471	22,567
Other creditors	160,983	109,000
Accruals and deferred income	549,793	464,275
	12,063,053	8,175,774

The inter company loans are interest free and repayable on demand, however there is no present intention to seek repayment of these loans

There is a third party floating charge over all assets and undertakings of the company for the loan provided from HSBC Bank Plc to Panther Securities PLC

11. PROVISIONS FOR LIABILITIES AND CHARGES

The provision for deferred taxation not provided is as follows

	2007	2006
	£	£
Potential capital gains	1,867,275	2,190,467

12. SHARE CAPITAL

	2007	2006
	£	£
AUTHORISED		
10,000 Ordinary shares of £1 each	10,000	10,000
ALLOTTED, CALLED UP AND FULLY PAID		
200 Ordinary shares of £1 each	200	200

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

13 RESERVES

	Share premium account £	Investment property revaluation reserve £	Profit and loss account £
At 1 January 2007	98,900	12,845,572	1,358,599
Profit for the year			1,739,279
Dividends Equity capital			(2,000,000)
Tax on realised gain on disposal of investment property			18,448
Transfer between Revaluation reserve and P/L account			49,836
Movement on investment property		(45,764)	
At 31 December 2007	<u>98,900</u>	<u>12,799,808</u>	<u>1,166,162</u>

14. RECONCILIATION OF MOVEMENT IN SHAREHOLDERS' FUNDS

	2007 £	2006 £
Opening shareholders' funds	14,303,271	13,382,095
Profit for the year	1,739,279	769,290
Dividends (Note 15)	(2,000,000)	(1,000,000)
Other recognised gains and losses during the year	22,520	1,151,886
Closing shareholders' funds	<u>14,065,070</u>	<u>14,303,271</u>

15. DIVIDENDS

	2007 £	2006 £
Ordinary dividends paid £10,000 per share (2006 - £5,000)	<u>2,000,000</u>	<u>1,000,000</u>

16. CONTINGENT LIABILITIES

A guarantee has been given in respect of borrowings of the parent undertaking and fellow subsidiaries amounting to £35,010,936 (2006 - £35,010,936)

17. RELATED PARTY TRANSACTIONS

Advantage has been taken of the exemptions conferred under FRS 8, such that related party transactions need not be disclosed, because consolidated accounts including this company are publicly available

PANTHER INVESTMENT PROPERTIES LIMITED

NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 December 2007

18. PARENT UNDERTAKING

The company's ultimate parent undertaking is Panther Securities PLC, a company incorporated in Great Britain

19 AUDITORS' REMUNERATION

	2007	2006
	£	£
Fees payable to the company's auditor for the audit of the company's annual accounts	4,700	5,875