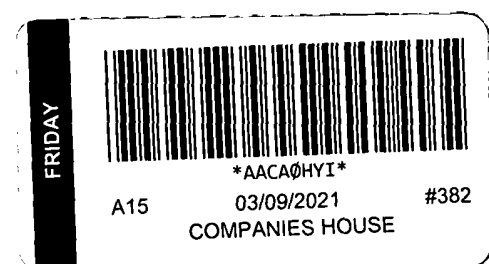


Registration number: 01107006

Panther Investment Properties Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2020



Panther Investment Properties Limited

Contents

Company Information	1
Directors' Report	2
Statement of Directors' Responsibilities	3
Independent Auditor's Report	4 to 6
Profit and Loss Account	7
Statement of Comprehensive Income	8
Balance Sheet	9
Statement of Changes in Equity	10
Notes to the Financial Statements	11 to 20

Panther Investment Properties Limited

Company Information

Directors	A S Perloff
	S J Peters
	J H Perloff
Company secretary	S J Peters
Registered office	Unicorn House
	Station Close
	Potters Bar
	Hertfordshire
Auditor	EN6 1TL
	Crowe U.K. LLP
	Chartered Accountants and Statutory Auditor
	55 Ludgate Hill
	London
	EC4M 7JW

Panther Investment Properties Limited
Directors' Report for the Year Ended 31 December 2020

The directors present their Annual Report and Financial Statements for the year ended 31 December 2020.

Directors' of the company

The directors, who held office during the year, were as follows:

A S Perloff

S J Peters

J H Perloff

Principal activity

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.

Disclosure of information to the auditor

In the case of each person who was a director at the time this report was approved:

- so far as that director was aware there was no relevant audit information of which the company's auditor was unaware; and
- that director had taken all steps that the director ought to have taken as a director to make himself or herself aware of any relevant audit information and to establish that the company's auditor was aware of that information.

This information is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions of section 415A of the Companies Act 2006 relating to small companies. The directors have taken exemption under this regime not to disclose a strategic report.

Approved by the Board on 31/8/21 and signed on its behalf by:



S J Peters
Company secretary and director

Panther Investment Properties Limited

Statement of Directors' Responsibilities

The directors are responsible for preparing the Directors' 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 Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework' ('FRS 101'). Under company law the directors must not approve the financial statements unless they are satisfied that they 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 apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether FRS 101 has been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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 adequate accounting records that are sufficient to show and explain the company's transactions and 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 2006. 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.

Panther Investment Properties Limited

Independent Auditor's Report to the Members of Panther Investment Properties Limited

Opinion

We have audited the financial statements of Panther Investment Properties Limited ("the Company") for the year ended 31 December 2020 which comprise profit and loss account, statement of comprehensive income, balance sheet, statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standards 101, 'Reduced Disclosure Framework'.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2020 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The directors are responsible for the other information contained within the annual report. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion based on the work undertaken in the course of our audit

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report have been prepared in accordance with applicable legal requirements.

Panther Investment Properties Limited

Independent Auditor's Report to the Members of Panther Investment Properties Limited

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies exemption in preparing the directors report and from the requirement to prepare a strategic report.

Responsibilities of directors

As explained more fully in the directors' responsibilities statement set out on page 3, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists.

Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We obtained an understanding of the legal and regulatory frameworks within which the company operates, focusing on those laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements. The laws and regulations we considered in this context were the Companies Act 2006 and taxation legislation.

We identified the greatest risk of material impact on the financial statements from irregularities, including fraud, to be the override of controls by management, inappropriate revenue recognition, judgement surrounding the investment property valuations and trade receivable recoverability. Our audit procedures to respond to these risks included enquiries of management about their own identification and assessment of the risks of irregularities, sample testing on the posting of journals, reviewing accounting estimates for biases corroborating balances recognised to supporting documentation on a sample basis and ensuring accounting policies are appropriate under the relevant accounting standards and applicable law.

Panther Investment Properties Limited

Independent Auditor's Report to the Members of Panther Investment Properties Limited

Owing to the inherent limitations of an audit, there is an unavoidable risk that we may not have detected some material misstatements in the financial statements, even though we have properly planned and performed our audit in accordance with auditing standards. We are not responsible for preventing non-compliance and cannot be expected to detect non-compliance with all laws and regulations.

These inherent limitations are particularly significant in the case of misstatement resulting from fraud as this may involve sophisticated schemes designed to avoid detection, including deliberate failure to record transactions, collusion or the provision of intentional misrepresentations.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. 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 auditor's 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.

M Stallabrass

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Matthew Stallabrass
Senior Statutory Auditor, for and on behalf of
Crowe U.K. LLP
Statutory Auditor
Chartered Accountants

55 Ludgate Hill
London
EC4M 7JW

Date: 31 August 2021

Panther Investment Properties Limited
Profit and Loss Account for the Year Ended 31 December 2020

	Note	2020 £	2019 £
Turnover	4	1,825,969	2,095,607
Cost of sales		<u>(302,193)</u>	<u>(410,118)</u>
Gross profit		1,523,776	1,685,489
Administrative expenses - bad debts		(140,700)	(100,061)
Administrative expenses - other		(350)	(13,280)
Other operating income	5	<u>143,233</u>	<u>161,300</u>
Operating profit		1,525,959	1,733,448
Movement in fair value of investment properties	10	3,367,000	(1,165,000)
Interest payable and similar charges	6	<u>(39,525)</u>	<u>(39,525)</u>
Profit before tax		4,853,434	528,923
Tax on profit on ordinary activities	9	<u>(646,847)</u>	<u>115,550</u>
Profit for the year		<u>4,206,587</u>	<u>644,473</u>

The above results were derived from continuing operations.

Panther Investment Properties Limited

Statement of Comprehensive Income for the Year Ended 31 December 2020

	2020	2019
	£	£
Profit for the year	<u>4,206,587</u>	<u>644,473</u>
Total comprehensive income for the year	<u><u>4,206,587</u></u>	<u><u>644,473</u></u>

The notes on pages 11 to 20 form an integral part of these financial statements.

Panther Investment Properties Limited

**(Registration number: 01107006)
Balance Sheet as at 31 December 2020**

	Note	2020 £	2019 £
Fixed assets			
Investment properties	10	29,202,505	25,837,963
Current assets			
Stock properties	11	133,491	133,491
Trade and other debtors	12	389,854	331,308
Cash at bank and in hand		41,909	156,388
		<u>565,254</u>	<u>621,187</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	16	(11,631,039)	(11,659,834)
Leases	14	(39,525)	(39,525)
Income tax liability	9	(71,347)	(13,572)
Creditors: Amounts falling due within one year		<u>(11,741,911)</u>	<u>(11,712,931)</u>
Net current liabilities		<u>(11,176,657)</u>	<u>(11,091,744)</u>
Total assets less current liabilities		18,025,848	14,746,219
Creditors: Amounts falling due after more than one year			
Leases	14	(477,980)	(480,438)
Provisions for liabilities	9	<u>(1,195,600)</u>	<u>(620,100)</u>
Net assets		<u>16,352,268</u>	<u>13,645,681</u>
Capital and reserves			
Called up share capital	13	200	200
Share premium reserve		98,900	98,900
Investment property reserve		13,244,725	9,877,725
Retained earnings		<u>3,008,443</u>	<u>3,668,856</u>
Shareholders' funds		<u>16,352,268</u>	<u>13,645,681</u>

Approved and authorised for issue by the Board on 31/8/21 and signed on its behalf by:



S J Peters

Company secretary and director

Panther Investment Properties Limited

Statement of Changes in Equity for the Year Ended 31 December 2020

	Share capital £	Share premium £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2020	200	98,900	9,877,725	3,668,856	13,645,681
Profit for the year	-	-	-	4,206,587	4,206,587
Total comprehensive income	-	-	-	4,206,587	4,206,587
Dividends	-	-	-	(1,500,000)	(1,500,000)
Transfer between profit and loss and revaluation reserve	-	-	3,367,000	(3,367,000)	-
At 31 December 2020	200	98,900	13,244,725	3,008,443	16,352,268

	Share capital £	Share premium £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2019	200	98,900	11,042,725	1,859,383	13,001,208
Profit for the year	-	-	-	644,473	644,473
Total comprehensive income	-	-	-	644,473	644,473
Transfer between profit and loss and revaluation reserve	-	-	(1,165,000)	1,165,000	-
At 31 December 2019	200	98,900	9,877,725	3,668,856	13,645,681

The notes on pages 11 to 20 form an integral part of these financial statements.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

1 General information

The company is a private company limited by share capital incorporated and domiciled in England and Wales.

The address of its registered office is:

Unicorn House
Station Close
Potters Bar
Hertfordshire
EN6 1TL

2 Accounting policies

Summary of significant accounting policies and key accounting estimates

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of preparation

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework. The financial statements have been prepared on an historical cost basis except for the revaluation of investment properties which are carried at fair value.

Going concern

The COVID-19 pandemic has provided a much harder set of circumstances for all businesses. The Directors have prepared a detailed financial forecast assuming a continued "lock down" scenario that demonstrates the Company and Group is a going concern even if the business effects of the lock down resulting from the COVID-19 pandemic continues to December 2021. This forecast takes account of a level of minimal income from businesses and trades that remain open (even in the lock down e.g. banks and supermarkets). It also takes account of the Company and Group's extensive cash reserves (and available facility – some already drawn at the announcement date) and shows the Company and Group has enough financial resources to survive to beyond December 2021 – even with the current lock down and its effects continuing. In addition, in July 2021, the Group completed its refinancing of term loans, with a new facility worth £66m with a duration of a three year term.

The Group is strongly capitalised, has high liquidity together with a number of long term contracts with its customers many of which are household names. The Group has a diverse spread of tenants across most industries and investment properties based in many locations across the country. The Group has a strong track record of obtaining long term finance and expects this to continue as it has supportive lenders. The Group always maintains excellent relations with its lenders. The Group's business activities, together with the factors likely to affect its future development, financial risk, performance and financial position are set out in the Chairman's Statement and Group Strategic Report of Panther Securities PLC.

The Directors believe the Company and Group are 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 the foreseeable future, even with the current COVID-19 situation. For these reasons they continue to adopt the going concern basis in preparing the financial statements.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Summary of disclosure exemptions

The company has taken advantage of the following disclosure exemptions under FRS 101:

- the exemption from preparing a statement of cash flows;
- the exemption from declaring compliance with IFRS;
- the exemption from disclosing aspects of capital risk management;
- the exemption from providing a reconciliation on the number of shares outstanding;
- the exemption from disclosing information about IFRS in issue but not yet adopted; and
- the exemption from disclosing transactions between wholly owned group members.

In relation to the following exemptions equivalent disclosures have been given in the consolidated financial statements of Panther Securities PLC:

- the exemption from certain financial instrument disclosures.

Changes in accounting policy

New standards, interpretations and amendments effective

No new standards or amendments to standards that are mandatory for the first time for the financial year commencing 1 January 2020 affected any of the amounts recognised in the current year or any prior year and is not likely to affect future periods.

There are no standards that are not yet effective and that would be expected to have a material impact on the entity in the current or future reporting periods and on foreseeable future transactions.

Revenue recognition

Revenue comprises:

Rental income from tenancy occupied properties, net of Value Added Tax where appropriate. The income is recognised on an accruals basis.

IFRS 15 Revenue from Contracts is applicable to management fees and other income but excludes rent receivable. The majority of the company's income is from tenant leases and is outside the scope of this standard. The financial impact of this standard is considered immaterial and does not materially impact the financial statements.

Tax

Income tax expense represents the sum of the tax currently payable and deferred tax. The tax currently payable is based on taxable profit or loss for the period. Taxable profit or loss differs from profit or loss as reported in the Profit and Loss Account because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the Balance Sheet date.

Current tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the company intends to settle its current assets and liabilities on net basis.

Corporation tax for the period is charged at 19.00% (2019 – 19.00%), representing the best estimate of the weighted average annual corporation tax rate expected for the full financial year.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the Balance Sheet liability method. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future. The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that have been substantively enacted on or before the Balance Sheet date. Deferred tax is charged or credited to the Profit and Loss Account, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity.

Investment property

Investment properties, which are properties held to earn rentals and/or capital appreciation, are revalued annually by the directors using the fair value model of accounting for investment property at the Balance Sheet date. When the directors revalue the properties they make judgements based on the covenant strength of tenants, remainder of lease term of tenancy, location, and other developments which have taken place in the form of open market lettings, rent reviews, lease renewals and planning consents. Gains or losses arising from changes in the fair value of investment property are included in the Profit and Loss Account in the period in which they arise.

The purchase of investment property is recognised on the date that exchange of contract become unconditional. Investment property disposals are recognised on the date that exchange of contracts become unconditional and there is a reasonable expectation that completion will occur. At this point the investment property is derecognised and any difference between consideration received and carrying value is recognised in the Income Statement.

Financial assets and liabilities

Recognition

Financial assets and financial liabilities are recognised on the company's Balance Sheet when the company becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity

Financial liabilities and equity instruments issued by the company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Cash at bank and in hand

Cash at bank and in hand comprises cash on hand and demand deposits.

Trade and other debtors

Trade and other debtors are initially recognised at fair value, and are subsequently measured at amortised cost using the effective interest rate method. IFRS 9 requires the company to make an assessment of Expected Credit Losses ('ECLs') on its debtors based on tenant payment history and the directors' assessment of the future credit risk relating to its trade and other debtors at reporting dates.

Stock properties

Stock properties are stated at the lower of cost and net realisable value.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Trade and other creditors

Trade and other creditors are initially measured at fair value and are subsequently measured at amortised cost, using the effective interest rate method.

Leases

The company as lessee

The company pays rent to superior landlord on certain investment properties. Where the Company is a lessee, a right-of-use asset is recognised and accounted for as investment property and the financial obligation is recognised as a lease liabilities. The investment properties held under leases are subsequently carried at their fair value.

The company as lessor

Rental income from leases is recognised on a straight line basis over the term of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised on a straight line basis over the lease term.

Capital and reserves

Share capital represents the nominal value of shares issued by the company. Share premium represents amounts received in excess of nominal value on the issue of share capital. The investment property reserve represents the accumulated fair value gains and losses on investment properties. Retained earnings represents the accumulated comprehensive income and losses of the company less dividends paid.

Dividends

Dividends are recognised based on the value per share declared.

3 Critical accounting judgements and key sources of estimation uncertainty

Key judgements are noted in the accounting policy for investment properties. Details of the estimation techniques used are given in note 10.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

4 Turnover

The analysis of the company's turnover for the year from continuing operations is as follows:

	2020	2019
	£	£
Rental income from investment property	<u>1,825,969</u>	<u>2,095,607</u>

5 Other operating income

The analysis of the company's other operating income for the year is as follows:

	2020	2019
	£	£
Management fees and dilapidations income	<u>143,233</u>	<u>161,300</u>

6 Interest payable and similar charges

	2020	2019
	£	£
Lease interest payments	<u>39,525</u>	<u>39,525</u>

7 Staff costs

There are no employees other than the directors.

8 Auditor's remuneration

	2020	2019
	£	£
Audit of the financial statements	<u>-</u>	<u>3,520</u>

The audit fee for the company is borne by Panther Securities PLC, the ultimate parent company.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

9 Income tax

Tax charged/(credited) in the Profit and Loss Account

	2020 £	2019 £
Current taxation		
UK corporation tax	71,347	13,572
UK corporation tax adjustment to prior periods	<u>-</u>	<u>(81)</u>
	71,347	13,491
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>575,500</u>	<u>(129,041)</u>
Tax credit in the Profit and Loss Account	<u>646,847</u>	<u>(115,550)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2019 - lower than the standard rate of corporation tax in the UK) of 19% (2019 - 19%).

The differences are reconciled below:

	2020 £	2019 £
Profit before tax	<u>4,853,434</u>	<u>528,923</u>
Corporation tax at standard rate	922,152	100,495
Decrease from effect of capital allowances	(3,517)	(4,289)
Increase from effect of expenses not deductible in determining taxable profit / (tax loss)	4,517	3,363
Decrease arising from group relief tax reconciliation	(212,075)	(279,798)
Deferred tax in relation to property revaluation and indexation allowances	<u>(64,230)</u>	<u>64,679</u>
Total tax charge/(credit)	<u>646,847</u>	<u>(115,550)</u>
Deferred tax		

Deferred tax movement during the year:

	At 1 January 2020 £	Recognised in income £	At 31 December 2020 £
Differences arising from investment property	<u>(620,100)</u>	<u>(575,500)</u>	<u>(1,195,600)</u>

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

Deferred tax movement during the prior year:

	At 1 January 2019 £	Recognised in income £	At 31 December 2019 £
Differences arising from investment property	<u>(749,141)</u>	<u>129,041</u>	<u>(620,100)</u>

£16,023 asset (2019 - £17,483 asset) relates to allowances in excess of book value.

£1,211,623 liability (2019 - £637,583 liability) relates to the revaluation of investment properties.

10 Investment properties

	2020 £
At 1 January	25,837,963
Revaluation movement	3,367,000
Fair value adjustment on property held under leases	<u>(2,458)</u>
At 31 December	<u>29,202,505</u>

Investment property held at 31 December 2020 were mainly professionally revalued independently by Carter Jonas and partly by the directors to open market value on an existing use basis. At 31 December 2020 £27,450,000 (2019 - £23,933,000) and £1,752,505 (2019 - £1,904,963) included within the net book value of land and buildings relates to freehold investment properties and leasehold investment properties respectively. The historic cost of the properties was £15,440,275 (2019 - £15,440,275).

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.

The property valuations were mainly professionally carried out independently by Carter Jonas and partly by the directors at 31 December 2020 and all were valued by the directors at 31 December 2019. The property valuations when carried out internally are undertaken by directors, one of whom is a member of the Royal Institution of Chartered Surveyors (RICS). The valuation methodology used by both parties is in accordance with The RICS Appraisal and Valuation Standards (9th Edition – January 2014), which is consistent with the required FRS101 methodology. FRS101 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.

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

During the year £1,825,969 (2019 - £2,095,607) was recognised in turnover in relation to rental income from investment properties.

11 Stock properties

	2020	2019
	£	£
Stock properties	<u>133,491</u>	<u>133,491</u>

12 Trade and other debtors

	2020	2019
	£	£
Trade debtors	253,519	195,855
Prepayments and accrued income	<u>136,335</u>	<u>135,453</u>
	<u>389,854</u>	<u>331,308</u>

13 Share capital

Allotted, called up and fully paid shares

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>200</u>	<u>200</u>	<u>200</u>	<u>200</u>

The company's authorised share capital is 10,000 (2019 - 10,000) ordinary shares of £1.

14 Leases

	2020	2019
	£	£
Non-current		
Lease liabilities	<u>477,980</u>	<u>480,438</u>
Current		
Lease liabilities	<u>39,525</u>	<u>39,525</u>

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

15 Obligations under leases

Leases

The company as lessor:

The company rents out its investment properties under leases. Rental income for the company is disclosed in the Profit and Loss Account.

IFRS 16 eliminates the classification of leases as operating leases or finance leases and treats all in a similar way to finance leases.

Contracted rental income derived under non-cancellable leases on investment properties:

	2020 £	2019 £
Within one year	1,411,560	1,483,295
In two to five years	3,852,080	4,334,792
In over five years	7,226,722	8,249,857
	<u>12,490,362</u>	<u>14,067,944</u>

The company as lessee:

The majority of these non-cancellable lease obligations are long leasehold investments. These investments often have rents payable and a minimum rent obligation that is due to the superior landlord. The average lease length is 52 years. The minimum rental payment obligations due under these operating leases and anticipated rental income derived from these investments are shown below.

The minimum future payments under non-cancellable leases are as follows:

	2020 £	2019 £
Within one year	39,525	39,525
In two to five years	158,100	158,100
In over five years	1,365,880	1,445,038
	<u>1,563,505</u>	<u>1,642,663</u>

16 Trade and other creditors

	2020 £	2019 £
Trade creditors	322,381	441,886
Accruals and deferred income	486,593	593,453
Amounts due to related parties	10,546,889	10,360,112
Other creditors	275,176	264,383
	<u>11,631,039</u>	<u>11,659,834</u>

Panther Investment Properties Limited

Notes to the Financial Statements for the Year Ended 31 December 2020

The intercompany 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 by HSBC Bank PLC to Panther Securities PLC.

17 Contingent liabilities

A guarantee has been given in respect of borrowings by the parent undertaking and fellow subsidiary undertakings for £63,000,000 (2019 - £60,000,000).

18 Parent and ultimate parent undertaking

The company's immediate parent is Panther Securities PLC. These financial statements are available upon request from the Registered Office.

The ultimate controlling party is A S Perloff.

Relationship between entity and parents

The parent of the largest group in which these financial statements are consolidated is Panther Securities PLC, incorporated in England and Wales.

The address of Panther Securities PLC is:

The Registered Office

Panther Securities PLC is quoted on the Alternative Investment Market (AIM).