

Registration number: 00106411

Panther (Bromley) Limited

Annual Report and Financial Statements

for the Year Ended 31 December 2019

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Panther (Bromley) Limited

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Panther (Bromley) 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 EN6 1TL
Auditor	Nexia Smith & Williamson Chartered Accountants and Statutory Auditor 25 Moorgate London EC2R 6AY

Panther (Bromley) Limited

Directors' Report for the Year Ended 31 December 2019

The directors present their Annual Report and the Financial Statements for the year ended 31 December 2019.

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.

Directors' of the company

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

A S Perloff

S J Peters - Company secretary and director

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.

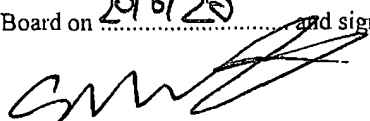
Disclosure of information to the auditor

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.

Approved by the Board on 20/8/20 and signed on its behalf by:



S J Peters

Company secretary and director

Panther (Bromley) 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 (Bromley) Limited

Independent Auditor's Report to the Members of Panther (Bromley) Limited

Opinion

We have audited the financial statements of Panther (Bromley) Limited (the 'company') for the year ended 31 December 2019, which comprise the Profit and Loss Account, Statement of Comprehensive Income, Balance Sheet, Statement of Changes in Equity and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 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 2019 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Emphasis of matter - Impact of COVID-19

We draw attention to note 2 of the financial statements, which describes the impact of COVID-19 on the company. Our opinion is not modified in respect of this matter.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report and Financial Statements, 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.

In connection with our audit of the financial statements, 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 there is a material misstatement in the financial statements or a material misstatement of the other information. 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.

Panther (Bromley) Limited

Independent Auditor's Report to the Members of Panther (Bromley) Limited

We have nothing to report in this regard.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the 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 has been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept, 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 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 Statement of Directors' Responsibilities 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.

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.

Panther (Bromley) Limited

Independent Auditor's Report to the Members of Panther (Bromley) Limited

Nexia Smith & Williamson

.....
Jacqueline Oakes

Senior Statutory Auditor, for and on behalf of

Nexia Smith & Williamson

Statutory Auditor

Chartered Accountants

25 Moorgate

London

EC2R 6AY

Date:.....*20/8/2020*.....

Panther (Bromley) Limited

Profit and Loss Account for the Year Ended 31 December 2019

	Note	2019 £	2018 £
Turnover	4	358,492	351,789
Cost of sales		<u>6,367</u>	<u>514</u>
Gross profit		364,859	352,303
Administrative expenses		(11,011)	(4,834)
Other operating income	5	<u>1,100</u>	<u>1,100</u>
Operating profit		354,948	348,569
Movement in fair value of investment properties	9	(75,000)	(190,000)
Interest payable and similar charges		<u>(1)</u>	<u>-</u>
Profit before tax		279,947	158,569
Tax on profit on ordinary activities	8	<u>(879)</u>	<u>25,481</u>
Profit for the year		<u><u>279,068</u></u>	<u><u>184,050</u></u>

The above results were derived from continuing operations.

Panther (Bromley) Limited

Statement of Comprehensive Income for the Year Ended 31 December 2019

	2019 £	2018 £
Profit for the year	<u>279,068</u>	<u>184,050</u>
Total comprehensive income for the year	<u><u>279,068</u></u>	<u><u>184,050</u></u>

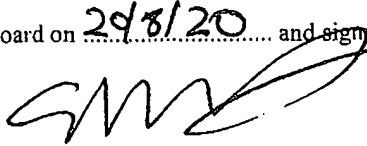
Panther (Bromley) Limited

(Registration number: 00106411)

Balance Sheet as at 31 December 2019

	Note	2019 £	2018 £
Fixed assets			
Investment properties	9	5,025,014	5,100,014
Current assets			
Trade and other debtors	10	48,462	21,978
Cash at bank and in hand		83,800	102,687
		<u>132,262</u>	<u>124,665</u>
Creditors: Amounts falling due within one year			
Trade and other creditors	14	(1,167,558)	(1,502,517)
Loans and borrowings	12	(14)	(14)
Income tax liability	8	<u>(13,572)</u>	<u>(12,391)</u>
Creditors: Amounts falling due within one year		<u>(1,181,144)</u>	<u>(1,514,922)</u>
Net current liabilities		<u>(1,048,882)</u>	<u>(1,390,257)</u>
Total assets less current liabilities		3,976,132	3,709,757
Provisions for liabilities	8	<u>(108,783)</u>	<u>(121,476)</u>
Net assets		<u>3,867,349</u>	<u>3,588,281</u>
Capital and reserves			
Called up share capital	11	25,790	25,790
Investment property reserve		2,247,639	2,322,639
Retained earnings		<u>1,593,920</u>	<u>1,239,852</u>
Shareholders' funds		<u>3,867,349</u>	<u>3,588,281</u>

Approved by the Board on 29/3/20 and signed on its behalf by:



S J Peters

Company secretary and director

The notes on pages 11 to 21 form an integral part of these financial statements.

Panther (Bromley) Limited

Statement of Changes in Equity for the Year Ended 31 December 2019

	Share capital £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2019	25,790	2,322,639	1,239,852	3,588,281
Profit for the year	-	-	279,068	279,068
Total comprehensive income	-	-	279,068	279,068
Transfer between profit and loss and revaluation reserve	-	(75,000)	75,000	-
At 31 December 2019	25,790	2,247,639	1,593,920	3,867,349

	Share capital £	Investment property reserve £	Retained earnings £	Total £
At 1 January 2018	25,790	2,512,639	865,802	3,404,231
Profit for the year	-	-	184,050	184,050
Total comprehensive income	-	-	184,050	184,050
Transfer between profit and loss and revaluation reserve	-	(190,000)	190,000	-
At 31 December 2018	25,790	2,322,639	1,239,852	3,588,281

The notes on pages 11 to 21 form an integral part of these financial statements.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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

As the company is party to the cross guarantee on the group loan facility going concern is considered on a group basis. The Board have prepared a detailed financial forecast that demonstrates the Company and Group are a going concern even if the commercial effects of the lockdown resulting from the COVID-19 continues to December 2021. This forecast takes account of a level of minimal income from businesses and trades that currently are allowed to remain open even in lockdown. It also takes account of the Group's extensive cash reserves and shows the Group has enough free financial resources to survive to beyond December 2021. This forecast is a worst case scenario with the same level of restrictions the government requested in April 2020 are in place to December 2021. The forecast was very prudent and does not take account of any cost saving potential in 2020 or the full level of income from businesses that are allowed to be open.

The Group had previously entered into a £75 million club loan facility (£60 million term and £15 million revolving), which was renewed on 19 April 2016 with a five-year term. This is up for renewal in April 2021 – on 31 December 2019 the maximum loan facility was £74m due to loan repayment in the year. The directors have had initial discussions with the lenders early in the year and they were very positive in terms of renewing on similar terms. The discussions are currently on hold as the Group and the banks deal with the current crisis. However, the lenders' relationship teams are confident that when the COVID-19 crisis is over, they can quickly get back on track, and in the worst case scenario would look for a short term extension (to give more time for discussions and negotiations).

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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

The following have been applied for the first time from 1 January 2019 and have had an effect on the financial statements:

The Company have adopted "IFRS 16 "Leases" for the first time this period. This new standard required additional disclosures which have been provided in the accounts.

None of the other standards, interpretations and amendments effective for the first time from 1 January 2019 have had a material effect on the financial statements.

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% (2018 – 19.00%), representing the best estimate of the weighted average annual corporation tax rate expected for the full financial year.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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.

In accordance with IFRS 16 the company has taken the practical expedient to not restate leases entered into prior to the date of transition being 1 January 2019. No new leases have been entered into since this date.

Prior to 1 January in accordance with IAS 17 ('Leases') and IAS 40 ('Investment Property'), a property interest held under an operating lease, which met the definition of an investment property, was classified as an investment property. The property interest was initially accounted for as if it were a finance lease, recognising as an asset and a liability the present value of the minimum lease payments due by the company to the freeholder. Subsequently, and as described above, the fair value model of accounting for investment property is applied to these interests. A corresponding interest charge is applied to the lease liabilities based on the effective interest rate. Fair value measurement of investment property is classified as Level 3 in the fair value hierarchy. Using the fair value model in IAS 40 is a recurring measurement.

Borrowings

All borrowings are initially recorded at the amount of proceeds received, net of transaction costs. Borrowings are subsequently carried at amortised cost, with the difference between the proceeds, net of transaction costs, and the amount due on redemption being recognised as a charge to the Profit and Loss Account over the period of the relevant borrowing.

Interest expense is recognised on the basis of the effective interest method and is included in interest payable and similar charges.

Borrowings are classified as current liabilities unless the company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting date.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Leases

Accounting policy applicable before 1 January 2019

Leases were classified as finance leases whenever the terms of the lease transferred substantially all the risks and rewards of ownership to the lessee. All other leases were classified as operating leases. As set out in the investment properties accounting policy the company accounted for operating leases in relation to investment property assets as if they were finance leases.

Most leases are operating leases.

The company as lessor

Rental income from operating 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.

The company as lessee

Rentals payable under operating leases are charged to the Profit and Loss Account on a straight line basis over the term of the relevant lease. Benefits received or provided as an incentive to enter into an operating lease are also spread on a straight line basis over the lease term. The accounting policy for investment properties describes the company's treatment of investment properties held under an operating lease.

Accounting policy applicable after 1 January 2019

IFRS 16 was adopted as of 1 January 2019 without restatement of comparative figures. See note 18 for details of the transition.

The company as lessee

As set out in the investment properties accounting policy the company accounted for leases in relation to investment property assets as if they were finance leases. No other leases have been identified.

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 a 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. 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.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

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.

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.

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 9.

4 Turnover

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

	2019	2018
	£	£
Rental income from investment property	<u>358,492</u>	<u>351,789</u>

5 Other operating income

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

	2019	2018
	£	£
Miscellaneous other operating income	<u>1,100</u>	<u>1,100</u>

6 Staff costs

There are no employees other than the directors.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

7 Auditor's remuneration

	2019 £	2018 £
Audit of the financial statements	<u>4,500</u>	<u>4,250</u>

8 Income tax

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

	2019 £	2018 £
Current taxation		
UK corporation tax	13,572	12,391
UK corporation tax adjustment to prior periods	<u>-</u>	<u>521</u>
	13,572	12,912
Deferred taxation		
Arising from origination and reversal of temporary differences	<u>(12,693)</u>	<u>(38,393)</u>
Tax credit / (expense) in the Profit and Loss Account	<u>879</u>	<u>(25,481)</u>

The tax on profit before tax for the year is lower than the standard rate of corporation tax in the UK (2018 - lower than the standard rate of corporation tax in the UK) of 19% (2018 - 19%).

The differences are reconciled below:

	2019 £	2018 £
Profit before tax	<u>279,947</u>	<u>158,569</u>
Corporation tax at standard rate	53,190	30,128
Increase in current tax from adjustment for prior periods	-	521
Decrease from effect of capital allowances depreciation	(64)	(78)
Decrease arising from group relief tax reconciliation	(64,944)	(53,759)
Deferred tax in relation to property revaluation and indexation allowances	11,557	(2,293)
Other tax effects for reconciliation between accounting profit and tax expense / (income)	<u>1,140</u>	<u>-</u>
Total tax expense / (credit)	<u>879</u>	<u>(25,481)</u>

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Deferred tax

Deferred tax movement during the year:

	At 1 January 2019 £	Recognised in income £	At 31 December 2019 £
Differences arising from investment property	<u>(121,476)</u>	<u>12,693</u>	<u>(108,783)</u>

Deferred tax movement during the prior year:

	At 1 January 2018 £	Recognised in income £	At 31 December 2018 £
Differences arising from investment property	<u>(159,869)</u>	<u>38,393</u>	<u>(121,476)</u>

£261 asset (2018 - £318 asset) relates to tax allowances in excess of book value.

£109,044 liability (2018 - £121,794 liability) relates to the revaluation of investment property.

9 Investment properties

	2019 £
At 1 January	5,100,014
Revaluation movement	<u>(75,000)</u>
At 31 December	<u>5,025,014</u>

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

Investment properties held at 31 December 2019 were revalued by the directors to open market value on an existing use basis. At 31 December 2019, £5,025,014 (2018 - £5,100,014) included within the net book value of investment properties relates to freehold investment properties. The historic cost of the properties was £2,777,361 (2018 - £2,777,361).

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 carried out by the directors at 31 December 2019 and 31 December 2018. 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.

During the year £358,492 (2018 - £351,789) was recognised in turnover in relation to rental income from investment properties.

10 Trade and other debtors

	2019	2018
	£	£
Trade debtors	<u>48,462</u>	<u>21,978</u>

11 Share capital

Allotted, called up and fully paid shares

	2019		2018	
	No.	£	No.	£
Ordinary shares of £1 each	<u>25,790</u>	<u>25,790</u>	<u>25,790</u>	<u>25,790</u>

The company's authorised share capital is 50,000 (2018 - 50,000) ordinary shares of £1.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

12 Loans and borrowings

	2019 £	2018 £
Current loans and borrowings		
Finance lease liabilities	<u>14</u>	<u>14</u>

13 Obligations under leases and hire purchase contracts

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 (see note 18).

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

	2019 £	2018 £
Within one year	266,603	316,822
In two to five years	912,983	979,928
In over five years	<u>275,739</u>	<u>475,396</u>
	<u>1,455,325</u>	<u>1,772,146</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 105 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:

	2019 £	2018 £
Within one year	1	1
In two to five years	4	4
In over five years	<u>100</u>	<u>101</u>
	<u>105</u>	<u>106</u>

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

14 Trade and other creditors

	2019	2018
	£	£
Trade creditors	61,246	61,476
Accruals and deferred income	86,538	93,033
Amounts due to related parties	985,524	1,313,758
Other creditors	34,250	34,250
	<u>1,167,558</u>	<u>1,502,517</u>

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.

15 Contingent liabilities

A guarantee has been given in respect of borrowings by the parent undertaking and fellow subsidiary undertakings for £60,000,000 (2018 - £60,000,000).

16 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.

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).

17 Non adjusting events after the financial period

COVID 19, as a health issue and with the government imposed closures to business and restriction on people's movements, will have a significant effect on the 2020 results including a potential decline in revenues and / or a future impairment of assets. The financial effects cannot be reliably quantified at this early stage, but the Company and Group are in a strong financial position to weather the crisis. The impact of COVID-19 is considered to be a non-adjusting post balance sheet event and as such the Balance Sheet, including property valuation, has been prepared on the facts and circumstances as at 31 December 2019.

Panther (Bromley) Limited

Notes to the Financial Statements for the Year Ended 31 December 2019

18 Transition to IFRS 16

IFRS 16 eliminates the classification of leases as operating leases or finance leases and treats all in a similar way to finance leases. It replaced IAS 17 and related interpretations. In accordance with IFRS 16 the company has taken the practical expedient exemption. No new leases have been entered into since the date of transition being 1 January 2019 and no other leases have been identified.

The company has adopted IFRS 16 using the modified retrospective method (including appropriate practical expedients), with effect of initially applying this standard recognised to the date of initial application (i.e. 1 January 2019). Accordingly, the information presented for 2018 has not been restated.

The impact of transition to IFRS 16 on retained earnings at 1 January 2019 is £Nil as any adjustments to the reserves are not considered material.

The nature and accounting of the Company's leasing activities

Operating leases in relation to investment properties in accordance with IAS 17 were previously accounted for as finance leases. The company has no other lease contracts.

The company has taken the practical expedient to not to apply this Standard to contracts that were not previously identified as containing a lease applying IAS 17 and IFRIC 4. Contracts may contain both lease and non-lease components. The company allocates consideration between lease and non-lease components based on the price a lessor, or similar supplier, would charge to purchase that component separately. The lease term begins at the commencement date and includes any rent-free periods provided by the lessor. Lease terms vary between contracts and depend on the individual facts and circumstances of the contract.

Lease liabilities are measured at the present value of the remaining lease payments, discounted using the company's incremental borrowing rate as at 1 January 2019. The company's incremental borrowing rate is the rate at which a similar borrowing could be obtained from an independent creditor under comparable terms and conditions. The weighted-average rate applied was 7%.

Measurement of lease liabilities

	£
Operating lease commitments disclosed at 31 December 2018	106
Discounted using the incremental borrowing rate at 31 December 2018	(92)
Lease liability recognised as at 31 December 2018	<u>14</u>
Leases not previously recognised as finance leases	
Lease liability recognised as at 1 January 2019	<u>14</u>