



PUMA HERITAGE

INTERIM REPORT  
2021

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# Officers and Professional Advisers

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## DIRECTORS

Michael Posen (Chairman)  
Jim Brydie  
Michael van Messel

## REGISTERED NUMBER

08285184

## REGISTERED OFFICE

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Yeoman Way  
Worthing  
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## AUDITOR

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Chartered Accountants  
25 Farringdon Street  
London, EC4A 4AB

## SOLICITORS

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London, EC4M 7RD

## BANKERS

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London City Office  
PO Box 412  
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## TRADING ADVISOR

Puma Investment Management Limited  
Cassini House  
57 St James's Street  
London, SW1A 1LD

## REGISTRAR

SLC Registrars  
Highdown House  
Yeoman Way  
Worthing  
West Sussex, BN99 3HH

## ADMINISTRATOR

PI Administration Services Limited  
Cassini House  
57 St James's Street  
London, SW1A 1LD

# Chairman's Statement

## HIGHLIGHTS

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- Revenue of £5.7 million for the period, up 28% on the previous year
- Pre-tax profits of £3.0m (2020: £2.2 million)
- Dividend of 3.25p per share paid on Income Shares
- Net Asset Value (NAV) of £140.1 million as at 31 August 2021, an increase of £12.6 million in the period
- Adjusted NAV per Growth Share of 119.06p as at 31 August 2021, a year-on-year increase of 3.6%

I am pleased to present the interim report for Puma Heritage Limited (the "Company") for the six-month period to 31 August 2021.

The Group undertakes trading activities focusing on secured lending, with the principal aims of generating stable returns for shareholders, whilst at the same time seeking to offer downside risk protection and preserving capital.

The Group has recorded a successful half-year, in which revenues grew by 28% to £5.7 million, delivering pre-tax profits of £3 million. NAV per share for both growth and income share classes, adjusting for dividends paid to income shareholders, has continued to grow at an annualised rate in excess of the Group's target of 3%.

## ACTIVITY DURING THE PERIOD

The period continued to be impacted by the Covid-19 pandemic. Despite the obvious challenges that this has presented, the Company has continued to transact new business.

Seven new loans were completed in the period, comprising £62.6m of new funding commitments, all with the benefit of first charge security. As importantly, 6 loans totalling £51.1m were repaid during the period. The loan book remains free of impairments.

## LOAN BOOK AND CASH HOLDINGS

As at 31 August 2021 the Group's committed loan book was £212 million, of which £110 million had been drawn (loans having been provided via its wholly owned subsidiary Heritage Square Limited (the "Subsidiary")), as described below. All loans benefits from first charge security. The loan book is well diversified across a variety of residential and commercial sectors and UK locations.

The Group was holding £22m of cash at the period end. This is in place both to meet future funding commitments on the existing loan book, as well as to be available to fund new loans. All cash is held in instant access accounts to enable immediate deployment.

The Board remains mindful of the need to balance a desire to deploy cash regularly to drive returns for shareholders, whilst also maintaining the rigour with which all prospective loans are analysed to ensure they meet the Group's prudent appetite for risk.

## **OUTLOOK**

The Covid-19 situation continues to impact on normal economic activity and uncertainty is likely to remain in the short term.

The Company's loan book is well diversified and is not overly exposed to those industries most severely impacted by the pandemic. No impairments of loan positions were made during the period nor have any been required since the period end.

The Board continues to appraise new lending opportunities and has closed 2 new loans since the period end. There is a strong pipeline of transactions in place which the Company anticipates executing over the coming months. In doing so, we will continue to assess values in the light of emerging events, and our focus on managing risk and lending at conservative levels remains ever-present.

**Michael Posen**  
**Chairman**

18 January 2022

# Consolidated Profit and Loss Account (unaudited)

## FOR THE SIX MONTHS ENDED 31 AUGUST 2021

		Six months ended 31 August 2021	Six months ended 31 August 2020	Year ended 28 February 2021
	Note	Total £'000	Total £'000	Total £'000
Trading book income		5,672	4,445	9,620
Other income		-	21	-
Admin expenses		(2,681)	(2,311)	(4,823)
Operating profit		2,991	2,155	4,797
Interest income		1	30	31
Profit on ordinary activities before taxation		2,992	2,185	4,828
Tax on return on ordinary activities		(548)	(403)	(928)
Profit on ordinary activities after tax attributable to equity shareholders		2,444	1,782	3,900

All items in the above statement derive from continuing operations.  
No operations were acquired or discontinued in the period.

No separate Statement of Total Recognised Gains and Losses is presented as all gains and losses are included in the Consolidated Profit and Loss Account.

# Consolidated Balance Sheet (unaudited)

AS AT 31 AUGUST 2021

		As at 31 August 2021	As at 31 August 2020	As at 28 February 2021
	Note	£'000	£'000	£'000
<b>Assets</b>				
Loans due after more than one year		59,288	37,407	38,184
Loans due within one year		50,540	58,236	70,426
Debtors and prepayments		13,755	7,500	10,812
Cash		21,573	24,508	17,105
		145,156	127,651	136,527
<b>Creditors - amounts falling due within one year</b>		(5,038)	(4,205)	(8,969)
<b>Net Assets</b>		140,118	123,446	127,558
<b>Capital and Reserves</b>				
Share capital	4	118	108	109
Share premium		126,176	113,985	115,979
Revenue reserve		13,824	9,353	11,470
<b>Equity Shareholders' Funds</b>		140,118	123,446	127,558
<b>Net Asset Value per Growth Share</b>	5	119.01p	114.89p	116.85p
<b>Net Asset Value per Income Share</b>		100.04p	99.73p	101.43p
<b>Adjusted Net Asset Value per Growth Share</b>	5	119.06p	114.89p	116.93p
<b>Adjusted Net Asset Value per Income Share</b>		100.08p	99.73p	101.50p

# Consolidated Cash Flow Statement (unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

	Six months ended 31 August 2021	Six months ended 31 August 2020	Year ended 28 February 2021
	£'000	£'000	£'000
<b>Reconciliation of profit after tax to net cash flow from operating activities</b>			
Profit after tax	2,444	1,782	3,900
Tax charge for the year	548	403	928
Increase in debtors	(2,944)	(760)	(4,073)
Decrease in creditors	(4,479)	(8,155)	(3,096)
Increase in loan book	(1,218)	(12,759)	(25,726)
Corporation tax paid	-	-	(820)
<b>Net cash outflow from operating activities</b>	<b>(5,649)</b>	<b>(19,489)</b>	<b>(28,887)</b>
<b>Cash flow from investing activities</b>			
Bank interest received	1	30	31
<b>Net cash inflow from investing activities</b>	<b>1</b>	<b>30</b>	<b>31</b>
<b>Cash flow from financing activities</b>			
Proceeds received from issue of share capital	15,316	6,076	13,721
Shares redeemed in the period	(5,110)	(1,584)	(7,235)
Dividends paid	(90)	(89)	(89)
<b>Net cash inflow from financing</b>	<b>10,116</b>	<b>4,403</b>	<b>6,397</b>
<b>Net cash inflow/(outflow) after financing</b>	<b>4,468</b>	<b>(15,056)</b>	<b>(22,459)</b>
<b>Increase/(Decrease) in cash in the period</b>	<b>4,468</b>	<b>(15,056)</b>	<b>(7,403)</b>
<b>Reconciliation of net cashflow to movement in net funds</b>			
Increase/(Decrease) in cash in the period	4,468	(15,056)	(7,403)
Cash and cash equivalents at the beginning of the period	17,105	39,564	24,508
Cash and cash equivalents at the end of the period	21,573	24,508	17,105



# Statement of Changes in Equity (unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

Group	Share capital	Share premium	Revenue reserve	Total
	£'000	£'000	£'000	£'000
<b>Balance as at 1 March 2020</b>	104	109,498	7,659	117,261
Shares issued in the period	5	6,070	-	6,076
Shares redeemed in the period	(1)	(1,583)	-	(1,584)
Dividends paid	-	-	(89)	(89)
Return after taxation attributable to equity shareholders	-	-	1,782	1,782
<b>Balance as at 31 August 2020</b>	<b>108</b>	<b>113,985</b>	<b>9,353</b>	<b>123,446</b>
Shares issued in the period	6	7,640	-	7,646
Shares redeemed in the period	(5)	(5,646)	-	(5,651)
Dividends paid	-	-	-	-
Return after taxation attributable to equity shareholders	-	-	2,118	2,118
<b>Balance as at 28 February 2021</b>	<b>109</b>	<b>115,979</b>	<b>11,470</b>	<b>127,558</b>
Shares issued in the period	13	15,303	-	15,316
Shares redeemed in the period	(4)	(5,106)	-	(5,110)
Dividends paid	-	-	(90)	(90)
Return after taxation attributable to equity shareholders	-	-	2,444	2,444
<b>Balance as at 31 August 2021</b>	<b>118</b>	<b>126,176</b>	<b>13,824</b>	<b>140,118</b>

# Notes to the Consolidated Accounts

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

## **1. FINANCIAL INFORMATION**

### **BASIS OF PREPARATION**

The annual financial statements of Puma Heritage Limited (the "Group") are prepared in accordance with UK Generally Accepted Accounting Practice ("UK GAAP"). The condensed set of financial statements included in this interim financial report for the period ended 31 August 2021 has been prepared in accordance with International Accounting Standard 34 "Interim Financial Reporting".

### **GOING CONCERN**

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Chairman's Statement on pages 2 to 3, together with the financial position of the Group. In addition, the principal risks and uncertainties of the Group are discussed in note 2 to this interim financial report.

After making enquiries, the Directors have a reasonable expectation that the Group has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

### **SIGNIFICANT ACCOUNTING POLICIES**

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as are applied in the Group's latest audited Annual Report and Accounts for the period ended 28 February 2021.

## **2. PRINCIPAL RISKS AND UNCERTAINTIES**

The Group's policies for managing the risks arising from its activities are set out in the last audited Annual Report and Accounts of the Group that were issued on 15 September 2021.

## **3. DIVIDENDS**

A dividend of 3.25p per share (2020: 3.15p) was paid on the Company's Income shares on 9 July 2021.

#### 4. SHARE CAPITAL AND SHARE PREMIUM

As at 31 August 2021		
	Number	£'000 Value
Ordinary shares	2	-
Growth shares	115,401,511	115
Income shares	2,780,656	3
	118,182,169	118

As at 31 August 2020		
	Number	£'000 Value
Ordinary shares	2	-
Growth shares	104,990,466	105
Income shares	2,825,958	3
	107,816,426	108

As at 28 February 2021		
	Number	£'000 Value
Ordinary shares	2	-
Growth shares	106,635,349	106
Income shares	2,908,311	3
	109,543,662	109

# Notes to the Consolidated Accounts

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

(continued)

## SHARE MOVEMENTS IN PERIOD

During the period movements in the Company's redeemable shares were as follows:

	Redeemable Growth Shares		Redeemable Income Shares	
	Number	Value £'000	Number	Value £'000
As at 28 February 2021	106,635,349	106	2,908,311	3
Issued in the period	13,000,737	13	-	-
Redeemed in the period	(4,234,575)	(4)	(127,655)	-
As at 31 August 2021	115,401,511	115	2,780,656	3

Share issue costs of Enil comprise fees payable to Puma Investment Management Limited, the Trading Adviser, who is entitled to payment of an initial charge on subscriptions.

## SHARE RIGHTS

The Redeemable Growth Shares, the Redeemable Income Shares and the Ordinary Shares shall rank *pari passu* as to rights to attend and vote at any general meeting of the Company.

## ORDINARY SHARES

The Ordinary Shares have no rights to dividends and are not redeemable.

## REDEEMABLE GROWTH SHARES

The Redeemable Growth Shares carry no right to receive a dividend from the revenue profits of the Company. In respect of any period, the aggregate of the revenue profits of the Company multiplied by the most recently calculated Redeemable Growth Share Capital Ratio (being such percentage of the Company's Net Asset Value as shall be attributable to the Redeemable Growth Shares in accordance with the methodology contained within the Articles, as calculated by the Company as at the applicable calculation date) shall belong to the holders of the Redeemable Growth Shares (as between them *pro rata* to their respective holding of Redeemable Growth Shares) and shall be aggregated to the net asset value of the Redeemable Growth Shares for the purposes of calculating the Redeemable Growth Share Capital Ratio.

The Redeemable Growth Shares are redeemable by the Company at a sum equivalent to the Redeemable Growth Share Redemption Value (being the Redeemable Growth Share Capital Ratio multiplied by the Net Asset Value of the Company, divided by the number of Redeemable Growth Shares in issue, in each case as at the applicable calculation date) multiplied by the number of Redeemable Growth Shares subject to the relevant election to redeem.

Such redemptions may take place as of 28 February or 31 August (or as of such other date as the Directors may determine) in any year subject always to the holder of such Redeemable Growth Shares having given notice before the end of the calendar month prior to the relevant redemption date of their wish to have their Redeemable Growth Shares redeemed, and always subject to the Directors' discretion, applicable law and regulation and there being sufficient liquidity.

Each Redeemable Growth Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

### **REDEEMABLE INCOME SHARES**

In respect of any period, the aggregate of the revenue profits of the Company multiplied by the most recently calculated Redeemable Income Share Capital Ratio (being such percentage of the Company's Net Asset Value as shall be attributable to the Redeemable Income Shares in accordance with the methodology contained within the Articles, as calculated by the Company as at the applicable calculation date) (exclusive of any imputed tax credit available to Shareholders) shall belong to the holders of the Redeemable Income Shares (as between them pro rata to their respective holding of Redeemable Income Shares). Any such share of the revenue profits which are not distributed to the holders of the Redeemable Income Shares in any relevant period shall be aggregated to the net asset value of the Redeemable Income Shares for the purposes of calculating the Redeemable Income Share Capital Ratio.

The Redeemable Income Shares are redeemable by the Company at a sum equivalent to the Redeemable Income Share Redemption Value (being the Redeemable Income Share Capital Ratio multiplied by the Net Asset Value of the Company, divided by the number of Redeemable Income Shares in issue, in each case as at the applicable calculation date) multiplied by the number of Redeemable Income Shares subject to the relevant election to redeem. Such redemptions may take place as of 28 February or 31 August (or as of such other date as the Directors may determine) in any year subject always to the holder of such Redeemable Income Shares having given notice before the end of the calendar month prior to the relevant redemption date of their wish to have their Redeemable Income Shares redeemed and always subject to the Directors' discretion, applicable law and regulation and there being sufficient liquidity.

Each Redeemable Income Share which is redeemed, shall, thereafter, be cancelled without further resolution or consent.

# Notes to the Consolidated Accounts

FOR THE SIX MONTHS ENDED 31 AUGUST 2021

(continued)

## 5. ADJUSTED NET ASSET VALUE PER SHARE

	Total	Income shares	Growth shares	Ordinary shares
<b>Shares in issue as at 31 August 2021</b>	<b>118,182,169</b>	<b>2,780,656</b>	<b>115,401,511</b>	<b>2</b>
<b>Net assets (£'000)</b>	<b>140,118</b>	<b>2,782</b>	<b>137,336</b>	<b>-</b>
<b>Net asset value per share</b>	118.56p	100.04p	119.01p	-
<b>New Subscriber Net Asset Value per share</b>	118.61p	100.08p	119.06p	-

During the year ended 28 February 2021, the Company incurred costs in connection with the re-registration from a Public Limited Company to a Private Limited Company. These costs were expensed in the year they were incurred, but for the purposes of calculating the Adjusted Net Asset Value per Share – which is used as the price for new share subscriptions – the costs are being amortised over 5 years to ensure that they are fairly attributed to initial and subsequent shareholders.

## 6. EVENTS AFTER THE PERIOD

A further 15,505,103 Growth shares and nil Income shares have been issued up to 6 January 2022. An additional 3,533,111 Growth shares and 19,120 Income shares were redeemed in the period





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