

# Prosper

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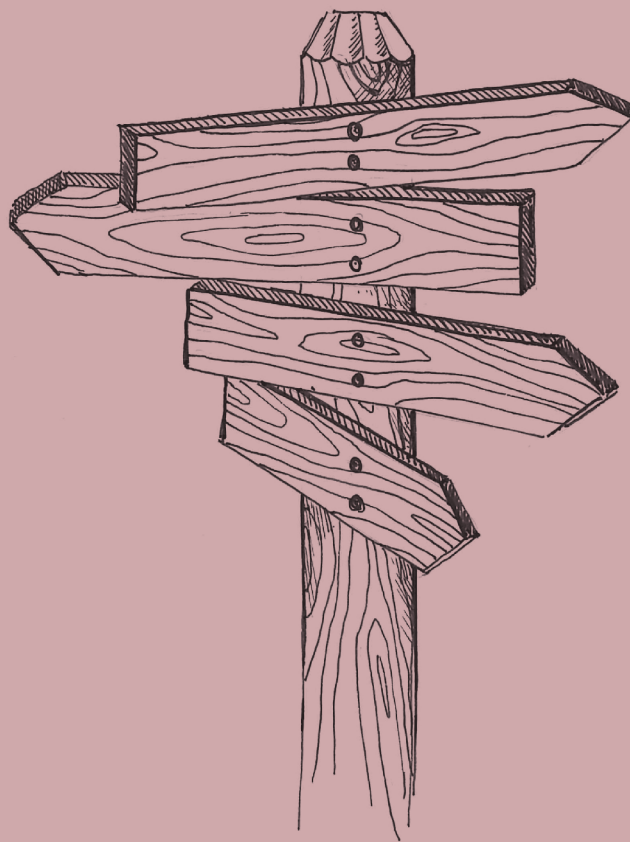
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**David Kaye**  
CEO, Puma Investments

# Welcome to another edition of Prosper

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Here we are in the spring of another year, and the last six months seem to have flown by. At Puma Investments we have been incredibly busy with our best-ever fundraise for the Puma VCTs, and we're excited about the year ahead.

As we look towards the summer, we have a number of developments planned. Our new Puma Investments website is due to launch shortly, and as a Puma VCT investor you will also be receiving your copy of your Puma VCT Annual Report & Accounts in June. These are important documents, so please take time to read them, as they provide useful updates on how the portfolio companies have been performing and the outlook for the months ahead.

We know that the economic climate continues to prove challenging on a number of fronts. But we continue to apply our prudent and rigorous approach to investing in scaling businesses across a diverse range of sectors. Our outlook is, as Rupert West explains on the following pages, cautiously optimistic, and we believe there are many opportunities for expansion and growth in the coming months.

Our rebrand is now in full swing, and our teams have been busy making extensive improvements to our communications, and you will be starting to receive documents in our new brand style. We think it's a big improvement, and makes things clearer and easier to understand. We would welcome your views and feedback, and have included a survey at the back of this newsletter, which asks for your thoughts on the recent changes announced in the Chancellor's Autumn Statement. For every completed survey we receive, we'll enter you into a prize draw to win a £250 Love2shop voucher. Congratulations to Mr Marshallsay, who was the winner of our £250 Love2shop voucher from September 2022.

We look forward to updating you further in June, when we release the Report & Accounts for both Puma Alpha VCT and Puma VCT 13.



**David Kaye**  
CEO, Puma Investments

# A look ahead

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September seems a lifetime ago now, but it has only been six months since I last wrote about the delights of investing during a period of great economic uncertainty. In those early weeks of September, we were getting to grips with the new Truss Government, which as we all know was swiftly replaced by the (slightly) more stable Government under Rishi Sunak. While the waters are a little calmer politically, several economic icebergs seem to have been dodged, and so we open 2023 with cautious optimism about the UK SME investment environment.

Although it didn't feel like it in mid-January, Europe was lucky to experience a winter that was very mild overall. That, coupled with active intervention in both the storage and consumption of energy across Europe, prevented a fuel price catastrophe. The latest figures from the Office for National Statistics show that UK inflation (measured by the Consumer Prices Index) dipped to a four-month low of 10.1% in the year to January 2023, as some peak prices started to roll out of the analysis<sup>1</sup>.

As expected, the Bank of England followed the US in raising interest rates fairly aggressively. This signalled to consumers a commitment to combatting inflation, and a desire that it doesn't become 'anchored' in people's decision-making and reduce spending further. As in recent times with fuel shortages, it was the media's coverage of the markets' response to the Truss mini-budget that pushed higher mortgage costs into the public conscience, and triggered a frenzy of activity, rather than the actual rates themselves. The good news is, that since the end of 2022, we have seen consumer costs starting to stabilise, and on further

analysis, the impact of rising rates across the economy has been somewhat mixed.

Where individuals have direct borrowing – for instance on credit or store cards, personal loans or car financing – rising interest rates have an immediate impact on levels of disposable income, and in turn demand. For instance, new car registrations in 2022 fell, with only 1.61 million new cars registered in the UK, which is the lowest level since 1992<sup>2</sup>. When it comes to mortgages, the impact on aggregate demand (or overall demand across the economy) is quite slow to build, and can have a lengthy time lag. This is because only about 40% of the population have mortgages<sup>3</sup> and about 70% of those are on fixed rates<sup>4</sup>. So roughly 12% of people are immediately exposed to rate rises through floating-rate mortgages, and roughly 28% will roll on to more expensive rates when their fixed rates expire. While there is concern that increased borrowing rates will drive a material correction in the housing market<sup>5</sup>, house prices are still rising, with the latest data from Nationwide showing that annual house price growth is now 1.1%.

The wider economy appears to be remarkably resilient, with strong wage growth and a broadly flat GDP through December. While much of the media has remained a picture of doom and gloom in recent months, consumer confidence appears to be slowly inching its way back (albeit from very low levels). The GfK Consumer Confidence Index has seen successive improvements since September 2022, when it was at an all-time low and posted a surprise +7 point move in February, taking it to the highest level in nearly a year. However, at -38, the index does remain lower than during the financial crisis of 2008. The outlook overall therefore remains mixed, and we know there is a tough road ahead. We also believe that it is far more likely that we will see a period of fairly flat growth, rather than a deep recession.

For our investors, the growing UK tax burden makes VCTs an increasingly attractive investment. In the Autumn Statement, the Chancellor announced a number of 'cuts' to personal taxation in the coming years, which make some investments less tax-efficient. In addition to the top 45% additional income tax band being cut to £125,140 (from £150,000), the Government also announced it was fixing other personal tax thresholds within income tax, NICs and inheritance tax for an additional two years, until April 2028. The Dividend Allowance will be reduced from £2,000 to £1,000 this April, and £500 from April 2024. In addition, the capital gains tax exemption will be reduced from £12,300 to £6,000 in April, and then to £3,000 from April 2024. It's no surprise therefore, that since VCTs provide full relief from dividend and capital gains tax, and the ability to offset 30% of any investment up to £200,000 from income tax, more and more investors are considering them as part of their portfolios. Current estimates suggest that this year's fundraise will be significantly bigger than last year's, which was the highest on record. The value of the shares issued in 2021/22 was £1.122 billion, which was 68% higher than the previous year<sup>6</sup>.

As private equity investors, the last part of 2022 saw a marked improvement in the outlook for those with money to invest, as the number of new opportunities coming to market recovered from a summer lull, and there was a far more pragmatic approach to valuations.

The beginning of 2022 had seen what we felt to be unreasonably high valuations, particularly across certain sectors, and we made very few new investments in that environment. Reacting to the current more favourable market, we are now investing at our most active pace for years, and expect that by the end of 2023 a significant portion of our portfolio companies will have been added within 18 months, at favourable valuations.

At Puma Private Equity we continue to invest heavily in our team in line with successive increases in our fundraising, in order to ensure we can maintain our highly active approach to value creation within the portfolio. In addition to a number of promotions in our Investment Management team, we have added new hires, including a dedicated Value Creation lead, who joins with significant consulting experience at Accenture and Baringa, and is specifically focused on supporting our portfolio companies with their growth and transformation programmes. We are working on further team developments for 2023.

During 2022 we assessed 449 companies for potential investment. This was a 20% increase on the previous year, which was itself 15% up on 2020. Already we can see that 2023 holds much promise, given what we are now seeing across the breadth of the UK economy, and we shall continue to exploit opportunities in unloved sectors where we see real quality.



**Rupert West**  
Managing Director, Puma Private Equity

<sup>1</sup> Consumer price inflation, UK – Office for National Statistics

<sup>2</sup> UK new car sales hit 30-year low but electric vehicle demand soars – BBC News

<sup>3</sup> <https://www.money.co.uk/mortgages/uk-mortgage-statistics-and-facts>

<sup>4</sup> <https://www.fca.org.uk/publication/research/switching-in-the-mortgage-market-update-august-2022.pdf>

<sup>5</sup> House prices fall for fifth month in a row – BBC News

<sup>6</sup> Venture Capital Trusts statistics: 2022 – GOV.UK ([www.gov.uk](http://www.gov.uk))





# Getting to grips with global piracy



Interview with a CEO:  
Andy Chatterley from MUSO,  
a portfolio company of the  
Puma VCTs



**Andy Chatterley is CEO of MUSO – a data company that provides a complete and trusted view of global piracy and unlicensed media consumption. In 2022, Puma Private Equity made a £3.2 million investment into MUSO to help with its expansion. Andy talks to us about why he founded MUSO, and what drives him and his team to reach for the stars.**

**Andy, you've been in business for a long time now. Tell us a little about what you did before you created MUSO and why you built the business.**

Prior to starting MUSO I was a record producer. I loved music, and when I was 17 or 18, I started my own Indie record company with my friend Richard, who later co-founded Feelunique. It was the early days of house music and we didn't really have any idea what we were doing. It was very DIY. We'd take a month to make a record, then we'd manufacture it and sell it to distributors or directly to record shops. Literally we were learning the music business and music production from the ground up.

It was a real baptism of fire. But it gave us the best possible experience of how to run a business – particularly a creative one. Being creative and making money don't often go together and it's hard to make them work together at times. Over the years I have co-owned various other labels and worked with thousands of artists as a musician, re-mixer, producer and songwriter. These include Blondie, Kylie Minogue, the Pussycat Dolls and Kanye West. I even managed to get Grammy nominated in 2007.

My wife Nerina is a Brit and Ivor Novello nominated recording artist, and we've worked together on lots of projects over the years. It was what happened with her third album that really started MUSO.

**What happened to trigger your development of MUSO?**

Her third album leaked before its official release date. She'd gone through this entire process of making the record. It's quite intensive making an album – you're writing, mixing, recording strings, doing credits, photoshoots and making a video. It was a huge investment. Back then chart positions were really important, and her previous singles had charted well. She was getting good national radio play and things were looking good. Then suddenly a fan of hers announced that they could find her music on a piracy website. This was about ten days before its release.

I went to the music industry to try and do something to stop it. But I found the experience terrible – really terrible. There was just nothing that could help us deal with the problem of piracy. And it was incredibly frustrating – it felt like being burgled.

Music was my passion, but I'd always had a side business. I'd set up an internet clothing e-commerce store in 1997, and I created something called Freedom Card – which was a little like Klarna – in 1999. But it was too early to unlock partners like GE or Nova Capital, so it didn't really take off. Both businesses were a little ahead of the curve and at the time a distraction to me making music. A year or so before my wife's album leaked, and alongside my other co-founders at MUSO – James and Chris – we developed algorithms to identify emerging trends on sites like MySpace and YouTube. So when this issue with my wife's album happened, we realised we could direct our technology to search for piracy. We found pretty quickly what we'd built was really effective in finding piracy online. We then spent nine months developing the code and the product before we were ready to go to market. And then that was it. MUSO was born.

We bootstrapped it, building the team slowly, and we grew the customer base and then expanded out of music into all media sectors, as all industries suffered the same problems with piracy. After about six years of providing content protection technology, we realised we were sitting on some incredibly valuable data. This is when I decided to join the business on a full-time basis as CEO. It was quite a tricky decision, as I'd spent most of my adult life in recording studios.

So I had a bit of a turning point in my life, and pivoted in my career. It came at a point in my life when I wanted to commit to something different. I'd learnt so much from running businesses and making records and commercial deals, and it was the right time for me to apply these skills to scaling up a company, and trying to create a positive outcome from digital piracy for the entertainment industry, by using our data to create revenue opportunities and better protect their valuable content.

**Was it a difficult decision to launch a business? It sounds like from an early age you were entrepreneurial – was it a foregone conclusion that you'd work for yourself?**

That entrepreneurial spirit has always been in my blood, so it wasn't anything I thought too hard about. When I was 13 or 14 I started my own car washing business. I'd noticed a lot of nice cars where I lived in Jersey, so I went to people's houses and businesses and found some customers, then enlisted five school friends to help. They'd come to my house on their bikes, and I'd send them out on jobs, and then I'd go and collect the money. I guess I never really wanted a boss.

I speak to people a lot who have really great ideas. I ask them why they don't launch their own business, and what I've realised is what holds a lot of people back is fear: the fear of failure and the idea that they will be on their own. And it's this fear that always seems to stop people from even trying. I was so young when I did it, there was no fear. So if I could give any advice to a younger person who wanted to try to do something, I'd say just do it. Nike nailed it with their slogan. You've got to do it because you just never know. You're not going to succeed the first time or even the second time, but if you continue to do it and you can take the risk and you're smart enough, you will succeed.

**Did you have any doubts along the way, or is it just if something's failed, you've got back on it and tried again?**

I don't believe that you should give yourself a safety net. I think it's good to have a plan and undertake risk assessments and those sorts of things. Clearly that's all important. But when you look at the bigger picture, if you don't take a gamble and go all in, you won't succeed. You shouldn't approach it thinking you can just try something for a few months and then go back to your day job.

**Sounds like perseverance is important. How much of someone's success is luck and how much down to sheer hard work?**

I think the answer to that often depends on the industry. Perseverance in the music industry is absolutely key, because you learn very early on about rejection. Music is a pretty unforgiving place, and I think it teaches people a lot of resilience. If they have the persistence to stick with it, I think they'll see it through. It's certainly the one characteristic that I've noticed among the people that I've met.

To be successful you have to have a positive mindset. I know two founders who had the same outcome from the same event: one of them spun it like it was the best outcome they could have ever possibly hoped for, and it was amazing. And the other one immediately afterwards was really down about the same outcome. I thought that was quite interesting. How you spin things and where you get your positivity from is really important.

**Covid affected different industries in different ways. Did it have a big impact on you and what did you learn out of that period?**

Weirdly no, it didn't really impact us much – and any impact it did have was kind of positive. I'm a bit of a news junkie, so I'd been watching the news in January 2020 and social media videos about a new virus. I realised something was going on, so I started to wear a mask and I stopped commuting to London. I just started working remotely, so by the time it all happened, I'd been getting ready for weeks. At MUSO some of our team are based in Romania, so we were used to working remotely. While everyone else was getting to grips with flipping their operational models, we just carried on as we always had done. We did have concerns about customer cancellations, but that quickly faded. During the whole pandemic we didn't lose a single customer.

We also put in some really robust KPIs around staff productivity with everyone working from home, and it's been incredibly important to us and our staff productivity. It has resulted in a more flexible approach to work-life.

**Will you be able to continue to work like this as you scale? As you get bigger, does it remain easy to manage that kind of work-life balance for staff, or does it get more challenging?**

I think it has to be departmentally led. What we're finding with our coders and engineers, is that they can be easily distracted by office environments. So those teams only come in for team meetings or social events. You can continue to build the culture,

but when it comes to day-to-day working, they all work better in their own environment.

For the sales team though, having more regular touchpoints together in the office is really important, because they generate a lot of energy being around each other. And they need to be spending more time on the phones talking to customers than anything else. And that can often mean being somewhere quiet. So you might come in to prepare for a meeting, but then go home and have the meeting. I think it's a balance: it's team-dependent and it depends on the functions of the roles.

One of the other big things that we found after the pandemic, is that previously we thought we'd have to head to America to open an office, because we need to be there because that's where our customers are. Then the pandemic happened and now they want to do everything by Zoom. So I think the ability for a company to be in Europe and the UK and do business in the US without massive expense is hugely beneficial.

**Was growing the business with private equity investment a difficult decision, or one you knew you were going to have to make at some point?**

It wasn't a difficult decision to make. For us, getting investment has always been about when is the right time for the business to get an injection of capital. Our products had quickly attracted some really big customers, and we realised that we had something that no-one else had. That was incredibly valuable. But the risk for us as a business was that if we didn't scale quickly, we might lose momentum. We needed to be able to invest in marketing and PR and in additional salespeople, to fully capture the opportunity that we've got. So it wasn't an emotional decision or difficult one; in that sense it was very much a strategic decision about speed: getting where we wanted to get to and getting capital to help us do that.

From the time we'd made the decision, it was pretty quick. Money is fuel really, so you can drive to where you want to get to. It gives you the ability to get somewhere faster than you might have otherwise done. You just have to figure out if as an owner, you are happy with the equity dilution. But a good investment is one that goes beyond just the money. You want private equity investment from people who resonate with you.

I think there tends to be a perception that outside investment is a necessary evil; where they are adversaries that you are going to fight with and

have real issues with. And I think it's completely the wrong way to view private equity. Actually they should be your partners. Ones that bring a lot to the table. If you've got a bad feeling from someone, you shouldn't take the investment. If you can't imagine getting on a transatlantic flight with someone for ten hours, then you shouldn't be doing any long-term business with them.

**People are so important. Are there types of people you look for to add to your business?**

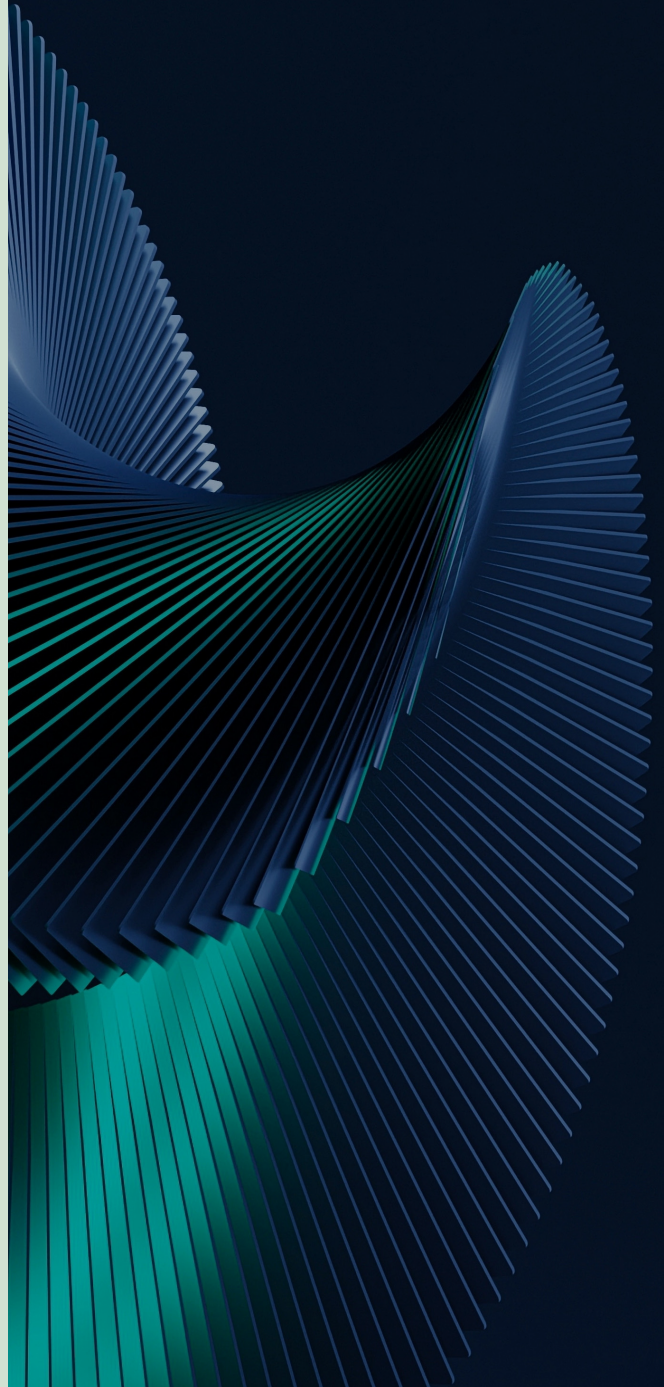
It's essential that you think carefully about how you build your culture. I probably shouldn't get as involved in recruitment as I do. But I am very protective of our culture, and I won't let anyone join our business unless I have seen them. We've got it wrong on the past and I blame myself, as it's usually when I haven't met someone before they have started. You have to make sure that you have a clear idea of the kind of culture you want to build and stick to it.

**Are there any companies that you think do things really well? Are there certain brands that you admire?**

I think I'd probably have to say Spotify, if I was going to say anyone. They have just revolutionised their market and completely changed the way that people consume music. If I look at this through the lens of my son – he's 12. And he's making and producing some really good music. That's because he uses Spotify so much. He's gone on this journey of discovery with music. He'll find a hip hop artist that he loves, and then he'll discover that they sampled an obscure sort of jazz French post-Serge Gainsbourg piece from the mid-70s and he'll go on that journey. When I look at companies that have done incredible things and had that level of positive disruption on an industry, it's just something to admire. Spotify do something really positive for the music consumer. It's phenomenal. You could say the same for YouTube and the other platforms. But in terms of doing it well, I think Spotify would be my choice.

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I think the answer to that often depends on the industry. Perseverance in the music industry is absolutely key, because you learn very early on about rejection. Music is a pretty unforgiving place, and I think it teaches people a lot of resilience.”



# Claiming VCT tax relief: A reminder

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VCTs were introduced to boost economic growth and job creation, by encouraging private investment in small and growing businesses. Such investments have been increasing in popularity among investors, and in the 2021/22 tax year raised more than £1 billion. Part of their attraction is the tax relief they provide<sup>1</sup>.

<sup>1</sup>[Gov.UK/government/statistics/venture-capital-trusts-2022](https://www.gov.uk/government/statistics/venture-capital-trusts-2022)

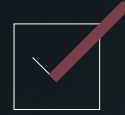
## AS A REMINDER



There is no capital gains tax to pay if you sell your VCT shares, and there is no tax payable on dividend payments



You are also entitled to claim income tax relief up to 30% on the amount you invest, as long as you hold your VCT shares for a minimum of five years



Additionally, VCT income tax relief can be applied upfront

For anyone invested into a VCT who hasn't claimed their tax relief, the following is a quick reminder of what you need to know. Please note, that this is only intended to provide information – it should not be interpreted as tax advice. While it reflects our current understanding of the tax relief benefits of VCTs and how you might be able to claim these tax reliefs, this might change in the future, or may not apply to you, given your personal circumstances. Tax reliefs depend on the individual investor's circumstances and may be subject to change. If you are in any doubt or need further advice or guidance about your personal circumstances, contact an independent financial or tax adviser.

Investments need to be held for at least 5 years to qualify for income tax relief.

Tax reliefs are not guaranteed, depend on individuals' personal circumstances and a five-year minimum holding period, and may be subject to change.

# 1. Complete an online self-assessment form

If you fill in your tax return online, you need to confirm how much you have invested in VCTs. There are two key sections on the self-assessment form to complete:

## **Section 3: “Tailor your return”**

Choose “Yes” to the question: “Do you want to claim other tax reliefs and deductions, for example, community investment tax relief, venture capital trust shares, maintenance/alimony payments?”

## **Section 4: “Fill in your return”**

Under “Other tax reliefs and deductions”, fill in the total amount of the VCT investments you want to claim tax relief on. You do not need to send your VCT tax certificates to claim income tax relief, but you should keep these in a safe place, as HMRC may request proof of ownership. If you have already paid too much income tax, HMRC will refund any excess either by cheque or directly into your bank account.

# 2. Send a paper tax return

This works in a similar way to submitting your tax return online. The details of your investment in VCTs should be included in your return. If you have paid too much income tax for the year, HMRC will refund any excess either by cheque or directly into your bank account. Here is the process for completing a paper tax return:

- Enclose form SA101 “Additional information” with your return. You can find the form on the HMRC website.
- Fill out the “Other tax reliefs” section on page Ai 2 of the form, then enter the total VCT subscriptions you want to claim tax relief on in box 1 “Subscriptions for Venture Capital Trust shares”. Although HMRC does not require you to send your VCT tax certificates as evidence, it may ask you to produce these on request.

# 3. Ask HMRC to adjust your tax code

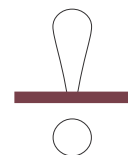
If you work and pay tax under the PAYE system, you can ask HMRC to reduce the tax you pay each month. Claiming tax relief this way, means you will not overpay tax during the year, and do not have to wait until you file your tax return to receive a refund. To claim your income tax relief this way, write to HMRC and ask for your tax code to be adjusted. You will need to include your National Insurance number, your latest P60 (the form that shows how much tax and National Insurance contributions you have paid in the previous year), and a copy of your VCT tax certificate for each VCT you are claiming relief against. Do not be concerned if there is not an immediate change to your tax code. It can often take a month or more for the change to take effect.

## 4. Reduce your monthly payments if you are self-employed

If you are self-employed, the tax relief due on your VCT investments could reduce your payments on account. To lower your payments this way, you should complete form SA303. This can be found on the HMRC website. It is important to make sure you calculate the tax relief you are due, and its impact on your payments, correctly. If you end up paying less than required, you will be charged interest. If you are in any doubt, contact your financial adviser.

## 5. How to claim if you do not file a tax return

If you do not regularly file a tax return, you could receive tax relief through a tax refund, or if you are employed, through a change in your PAYE code. To find out if this applies to you, send a copy of your VCT tax certificate, together with a copy of your P60, to your local tax office. Alternatively, you can contact it by phone.



### OTHER CONSIDERATIONS

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Tax reliefs depend both on you holding VCT shares for at least five years, and on the VCT maintaining its qualifying status over this period.

You cannot claim more in tax relief than the tax you owe in the year the relief is claimed. There are no provisions to allow you to carry forward to future tax years any unused tax relief.

While you can invest more than £200,000 in VCTs, you will not get tax relief on any excess over £200,000.



# View from the top

Interview with Carol Paris, former CEO of Rosebourne Nursery Group



Carol Paris was CEO of Rosebourne Nursery Group, which was bought by leading horticulture specialist, Hilliers Nurseries, in October 2022. Having worked with Puma Private Equity to develop the business during one of the most difficult trading environments in living memory, we asked Carol how she and her team navigated the pandemic, and why Rosebourne is close to her heart.

**Carol, you've had an incredibly interesting career. Can you talk a little about your journey to launching Rosebourne?**

I started my career as an equestrian. I've always loved horses and I wanted to do something where men and women compete as equals. Riding is pretty much the only sport where you compete as equals, and I quite liked the idea of that.

After a little while, I went to work as an equestrian professional for Harrods. I wasn't really on the retail side, but I would go out doing saddle fittings and rug fittings. In those days we had the Royal Warrant for Prince Charles's polo ponies, so the fantastic thing about my job was I had to go to polo every Saturday. I was asked if I wanted to advance my career at Harrods and take part in their graduate training scheme. I didn't want to apply in the beginning, because I loved going to watch the polo every Saturday. But to appease my boss I said I would apply. I was successful and ended up loving retail. Over the years I learnt a huge amount and worked my way up. I was then approached for the position of retail director for a garden centre chain. I have no idea where they got my name from – I knew nothing about plants. However, I did love the outdoors, and I also loved retail and providing people with a great retail experience.

Over time, I've developed a passion for buying and selling things and making money. At a garden centre, you don't sell anything that people need to buy. You sell things they'd like to buy. People are coming to you in their leisure time, rather than having to come to you and purchase food or fuel. And leisure spending really seems to chime with me. I constantly want to make the experience better, and that's where Rosebourne came in. I wanted to provide a better

garden centre experience that people wouldn't get anywhere else. We weren't interested in attracting people who wanted the cheapest bag of compost. We wanted to attract people that came for an afternoon out. We were asking people to drive out of town to come and see us, where they may have passed a number of alternative suppliers on the way. Rosebourne needed to have a broader appeal, so we based it around farm food shops, to give people a reason to keep coming regularly.

**And did providing that kind of multi-layered retail environment provide additional challenges?**

Absolutely. In a standard garden centre people will come once a month. But if you've got a farm shop with a butcher and a deli, people come more often. You get repeat footfall, and once they are in the centre, they spend time looking around because they aren't in a hurry. They may stop for a coffee and cake, and as it's a very multi-generational environment, people can take their parents as well as their children. If they are coming in regularly, and there are lots of different people with lots of different interests, you need to have a broad and constantly refreshed product offer. It also needs to be of the same quality throughout the garden centre, so that the experience you get in the café is matched by the quality of gifts in the gift shop. We were always aiming for quality, where we weren't the cheapest or the most expensive, but everything we offered had perceived value – and that can be challenging to keep finding an extensive range of products that matches that level.

We also wanted to offer products that were different, that people couldn't find in the high street. They would come to Rosebourne because they knew they could always find a gift, and something that's a bit different. We always looked for something that's niche – preferably sustainable, because if you're shopping in a garden centre, you're probably quite aware of your outdoor space and your planet as well.

**You have a pretty laser-like focus on your customers. And when you look at the locations of the Rosebourne sites, they are in pretty specific areas of the country. Did you conduct a lot of profiling work to decide on those locations?**

We conducted a large number of demographic surveys, that demonstrated where we would find numbers of our target audience, to make a site of the size we were looking at work from a volume perspective. Our aim was always to offer the best product, and we needed to ensure that there was a big enough local population that could afford those products. The locations we chose were therefore

based on available sized land to make the site work, and local target demographics. We also looked at locations where the local shopping was limited – where there wasn't a plethora of shops in the high street. It's why we discounted some other locations, because we knew the local shopping was excellent. In Andover for instance, where the Weyhill site is located, local shopping is pretty poor for high-quality, differentiated products.

**Did you do a lot of research about your customers and what they were looking for?**

I'm probably the Rosebourne core customer. And while it's very dangerous as a buyer to only buy things that you like, you find yourself constantly challenging yourself and your team. Would I buy that? No, I wouldn't want that in my house, so therefore my core customers wouldn't either, and we shouldn't stock it. We also used to do a lot of 'back to the floor' with our buyers at weekends, because we always wanted to have first-hand access to what our customers were saying. I'm not the best horticulturist, but it takes just as much time and effort to dig a hole and put a bad plant in it, as it does to dig a hole and put a good plant in. We bought very little stock abroad. Although plants are much cheaper in Holland, they can't survive in the conditions that we have in the UK, as they aren't as hardy. So if you want your customers' plants to thrive, you have to source them locally, and not ones forced in a glasshouse abroad. This takes more time and effort – and is more expensive – but it's the quality and experience that you want your customers to have. We never wanted customers to buy a plant and it not survive because it's too cold. People will have spent the same amount of money and effort and blame themselves, when it wouldn't be their fault. I didn't want our customers to waste their hard-earned money.

**You managed Rosebourne through what must have been an utterly terrifying time as a retailer during the pandemic. Talk to us a little about that.**

Well, we'd been open about a year at that point, and looking back I guess we were lucky in many ways. I've always treated our suppliers with the utmost respect and looked at them as our partners. They have no route to market without us, and we have no product without them. I absolutely don't abide by the sort of attitude where retailers want to squeeze suppliers down to the tightest prices. It never leads to good outcomes and it's never the most productive relationship. Sometimes the most important thing isn't the prices, it's the fact that the supplier will deliver. Especially when a buyer hasn't ordered enough and

you need an emergency delivery. Equally if a supplier is sitting on an overstock, I'd like to think they'd get on the phone. Or if a crop had failed, we'd talk and work it out. Relationships with suppliers have to be one of equals. We are dealing with live products and things don't always go to plan. Weather changes. Bulbs fail. Stuff happens. You have to work it through together.

So when the pandemic hit, I knew we'd need to all work together. However, the toughest thing was clearly the unknowns.

We closed the doors on Friday and it was the Mother's Day weekend. We had 700 people booked for lunch on the Sunday and we'd got all the food delivered in preparation. We also had shelves full of Easter eggs, and we shut the doors. We knew a lot of the food would go out of date quickly, and we didn't know how long at that stage we'd be closed for. We took all the food to the local women's refuges, ambulance stations and all sorts of local charities, as we wanted to do something positive with it. I was determined not to throw it all away.

And as the days and weeks start to roll in that initial period, we knew people still wanted to shop – they had time to spend in their gardens. But we had no trading website, we were all about the retail experience. So we worked and worked to come up with a plan and an alternative.

Like many businesses, most of our staff were furloughed, and it was literally me and a couple of other people who were permitted in the store to water the plants, or they would die. Only two people could be there at any one time and we set to work – photographing plants and furniture and putting it all onto a basic website.

As we had the food halls, we started to think about what we could do. People were struggling to get out and get food, and we thought maybe we could deliver it to them. However, the best we could manage was a phone-in service, where you'd ask people what they wanted and then put it into the car and take it to them. I managed to build a relationship with a local taxi company that only did airport runs, and asked them that since they weren't now doing airport runs, would they fancy delivering for us.

Our customers were so grateful. I took one of the first deliveries out myself, as I wanted to see how this was going to work. I'd had a phone call from a lady in Essex whose mum lived nearby in Andover, and who was in her 80s. She had Covid and had no food in the house. We put a whole load of ready meals in the car and took them to her. I knocked on this lady's

door – and of course we were all terrified of catching Covid at that stage. I put the box down and phoned the house and she came to the door in tears. She had eaten nothing for two days. It meant so much to her and to her daughter that we'd helped her. Our customers didn't forget this kind of thing.

In the second lockdown, we were incredibly fortunate to be classed as an essential trader. We had to spend a huge amount of time and money to develop the one-way system, and we couldn't sell over the counter in the delis. Lots had to change. But we did what we could.

### **So, looking back on it now, is there anything you wish you'd known or you would have done differently?**

I wish we hadn't shut the doors in the first place. And if we had to do it again, I'd have got us up back trading quicker. I would also have made sure we had an online trading site, if I'd known how long we'd be shut for. We were terribly fortunate that we could open during the second lockdown. Though that brought its own challenges, with staff that didn't want to or couldn't work because they were shielding, and some had kids off school so they couldn't work. We also lost a lot of stock, because when we went into lockdown it was all about young plants and hanging baskets, and when we came out it was all about summer bedding. On top of that, you're paying £50 for a litre of hand sanitiser gel, as there was none available and you had to provide it. Perspex became terribly difficult to get hold of, due to everyone trying to put up screens. There were so many new things to navigate and it was long hours for everyone. But we pulled together and we did it.

### **Looking back, were there any key traits you have as a leader that helped you through that time?**

As a CEO you are acutely aware of the need for the business to be a success – particularly when something like Covid happens. And to be fair, everybody in the company that was able to come in and help, did so. They all really wanted the business to succeed. So looking back, I think communication was absolutely key.

Remember when we'd all be glued to the television, watching what Boris said? I'd be watching every word and also be writing a newsletter to send out to 400 people telling them what the announcements meant for them and the business. I'd be clear about what we were going to do, because that's what people wanted. They wanted some degree of certainty. They wanted to be told what was



happening. I also spent a huge amount of time talking to people about their own concerns; some people enjoyed being on furlough and others hated it with a passion.

**Do you think you have a very inclusive leadership style – is it important for you to be part of a team?**

What I think is that as a team you have to have flexibility, particularly if you want diversity and you want inclusion. You've got to be conscious of other people's lives, and you can't assume that everybody lives the same life that you do. And if people need to go and collect children from school, then you need to find a way to make that happen. Otherwise, those people won't be able to work for you, as their lives won't work. And that might mean you lose their skillset.

So if you want them to work for you, work with them to make it possible. Find out what they can do, as opposed to telling them what they can't.

Most people want to enjoy the time they spend at work. They don't want to go home thinking they've had a dreadful day, but it's ok, they've been paid. If you make it impossible for people to work, you're never going to get the best balance of skills, and in this day and age, you need a wide range of skills and talents around you.

**Turning now to the sale of Rosebourne. What are you most proud of during your time there?**

I think I'm most proud of what we built together. And I think once you've decided on a model, you need to stick to it and don't let others sway your thinking. It's always the case when you've got six people in the room, you've got seven opinions.

You need to listen to those opinions and advice, but you need to keep true to what you were and are trying to achieve.

**What makes you a different business and what is it that keeps your customers coming back?**

I'm really proud of the people. While the change in ownership has meant that many have gone on to different roles and businesses, they're all really happy and feel that they learned and developed during their time at Rosebourne, and it's enabled them to get to the next level. That's really important, because your people are your most important asset.

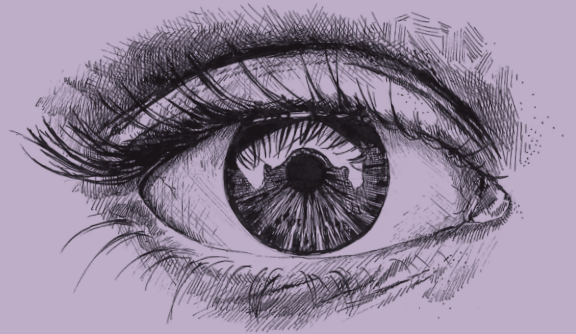
**“Customers don't buy from buildings, they buy from people.”**

I think it's also worth saying that it's really important to find someone that you can lean on for support. That might be your team members, or in my case it was the people I worked with at Puma Private Equity. It can be lonely running a business, and you need people around you that you can bounce off. Puma was superb at that, and I spent a lot of time talking to them if I had an issue or needed a bigger picture perspective. Private equity investment can really add value to companies over and above the money.

**Finally, what do you think this year has in store for UK plc?**

Plenty of challenges, as there are still a lot of unknowns. We hadn't expected inflation to be where it is. And in some businesses that's not necessarily a bad thing, as it can also lead to a rise in interest rates, which helps savers. And a lot of our customers in the garden centres are retired and rely on their savings. You really need to look at your business and understand where the risks are, and work out how you can try your best to mitigate those risks.

With garden centres we are competing for people's leisure time and money. So when money's tight they might cut back, but then equally they might use the money they would have used to go abroad, to stay at home as it's cheaper, and they might spend time in their garden. You have to look for the positives and the opportunities in business. You have to look at promotions and how you can offer better value when times are tougher. That's what we need to do as UK plc. Focus on the opportunities and think about the future.



# Investor views

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We are offering you the chance to win a £250 Love2shop voucher, simply by telling us your views.

We'd like to understand more about how the tax changes announced in the Chancellor's Autumn Statement might be affecting you, and what, if anything, you are considering changing about the way you save for your long-term financial planning goals.

We'd also like to know a little more about what information you use to help you make financial decisions.

The survey only takes a few minutes, and for the first completed entry drawn, we'll send the lucky winner a Love2shop voucher.

Scan the QR code below with your smartphone camera if you'd prefer to complete this survey online.



**SURVEY**

Please complete the survey below and return via post in the envelope enclosed.

Name: \_\_\_\_\_

Email address: \_\_\_\_\_

**1. Which of the following tax changes announced in the Autumn Statement, do you feel will have the greatest impact immediately on your personal financial situation? Please tick only one of the following.**

- Reduction in the income tax lower threshold for 45% additional rate of income tax (reducing from £150,000 to £125,140)
- Freeze on the personal allowance of £12,570 and the basic and higher income tax thresholds until 2028
- Cut in the individual annual dividend allowance from £2,000 to £1,000, and then to £500 in 2024
- Reduction in the individual annual tax-free capital gains allowance from £12,300 to £6,000, and then £3,000 in 2024

**2. Do you expect to make any changes to your personal investing behaviour as a result of these tax changes? If so, what.**

- Yes
- No

Changes: \_\_\_\_\_  
 \_\_\_\_\_

**3. Do you expect to make more or fewer tax-efficient investments in the near future?**

- I expect to invest more overall
- I expect to invest less overall
- I expect to make no change to my investment behaviour

**4. Have you made, or are you planning to make, any of the following types of investment in this tax year?**

- |      |     |                          |    |                          |
|------|-----|--------------------------|----|--------------------------|
| VCTs | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| EIS  | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |
| AIM  | Yes | <input type="checkbox"/> | No | <input type="checkbox"/> |

**5. Have you maximised the annual tax-free allowance into your pension this year?**

- Yes
- No

**6. Do you make your own personal investment decisions, or do you have a discretionary portfolio manager or financial adviser to make them for you?**

- I make all my own investment decisions
- I use the services of a third-party adviser
- I make my own decisions and get some support

**AND FINALLY, CAN YOU TELL US A BIT ABOUT YOU?**

**Age**

- Under 25
- 25-34
- 35-44
- 45-54
- 55-64
- 65 and over

**Which of the following newspapers/magazines do you regularly read?**

- The Financial Times
- City AM
- The Times
- The Telegraph
- The Guardian
- Investors Chronicle
- Money Observer
- The Economist
- The Week
- Other – please indicate

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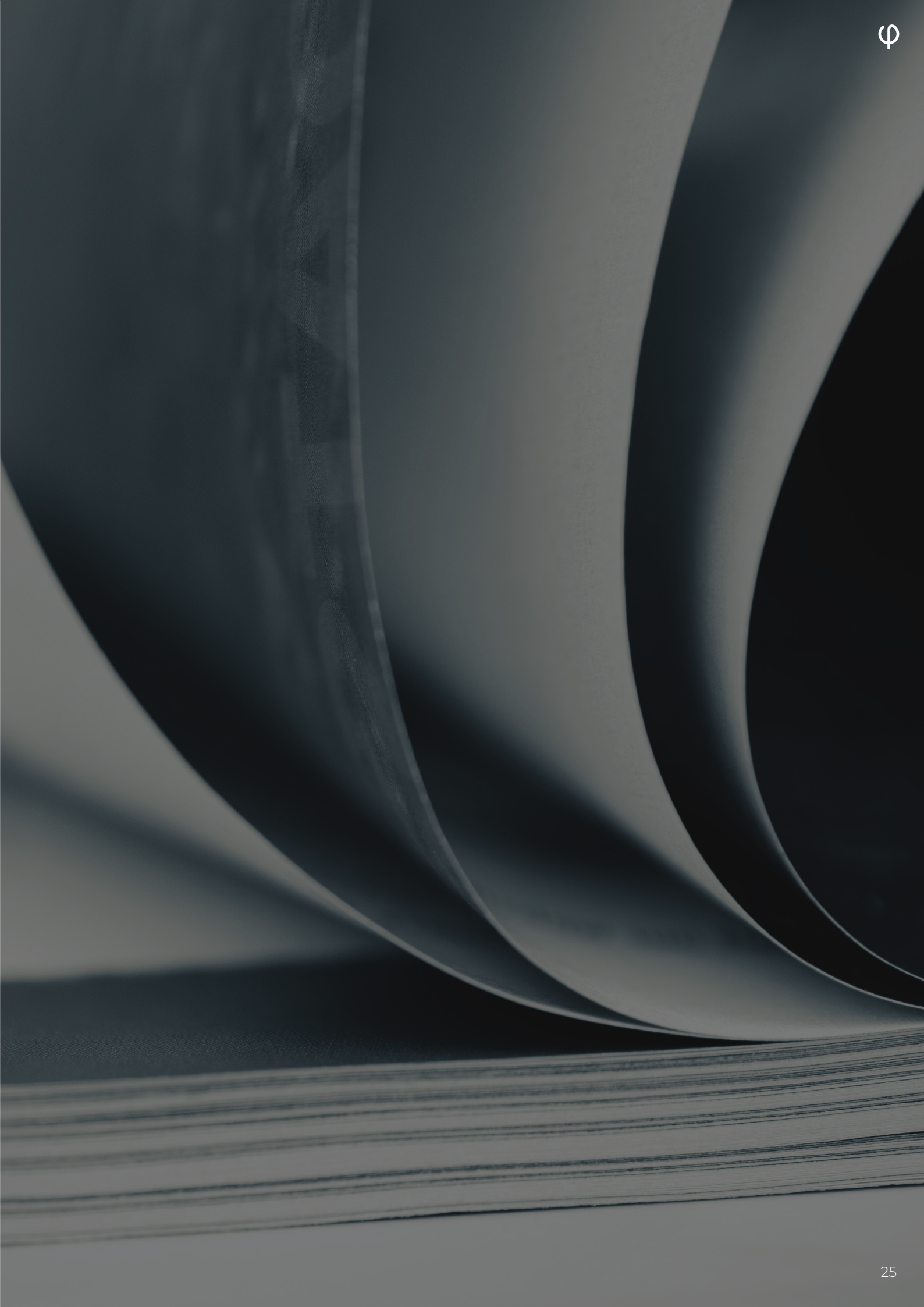
**By which of the following channels do you prefer to receive financial information?**

- Post
- Article
- Video
- Podcast

**Would you be interested in being a case study for VCT investors in the future?**

The press often asks for client case studies, and this would involve you having a brief call with a journalist and answering a few questions about your investments, and possibly a photograph. You would need to provide your permission for this to appear in print or online, and for those that do, we would be willing to provide a £250 Love2shop voucher as a thank you.

- Yes
- No



# Terms and conditions

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The promoter of this prize draw is Puma Investments, Cassini House, 57 St James's Street, London, SW1A 1LD.

The prize draw will run until midnight on 31 May 2023. All entries must be received by Puma Investments no later than midnight on 31 May 2023. All entries received after this time will be disqualified. To enter the prize draw, you must complete the short survey outlined above, or on our website.

Puma Investments will not accept responsibility for prize draw entries that are lost, mislaid, damaged or delayed in transit, regardless of cause, including, for example, as a result of equipment failure, technical malfunction, systems, satellite, network, server, computer hardware or software failure of any kind.

By submitting a prize draw entry, you are agreeing to be bound by these terms and conditions. The winner will be selected at random by Puma Investments. The decision Puma Investments makes will be final.

The prize draw is open to anyone who completes the survey outlined who is aged 18 years or over, except employees or members of their immediate families or households of Puma Investments. In entering the prize draw, you confirm that you are eligible to do so and eligible to claim the prize. Puma Investments may require you to provide proof that you are eligible to enter the competition. There is a limit of one entry per person. Puma Investments reserves all rights to disqualify you if your conduct is contrary to the spirit or intention of the prize draw.

Puma Investments will contact the winner by email, phone or letter using the contact details provided within three days of the closing date, which is 31 May 2023. The decision of Puma Investments is final and no correspondence or discussion will be entered into. Puma Investments will make all reasonable efforts to contact the winner. If the winner cannot be contacted or is not available within seven days, Puma Investments reserves the right to offer the prize to the next eligible entrant selected from the entries. Puma Investments does not accept any responsibility if you are not able to take up the prize.

The prize is a £250 Love2Shop voucher. The prize is not negotiable or transferable. The winner must be over 18.

In so far as is permitted by law, Puma Investments, its agents or distributors will not in any circumstances be responsible or liable to compensate the winner or accept any liability for any loss, damage, personal injury or death occurring as a result of taking up the prize, except where it is caused by the negligence of Puma Investments, its agents or distributors or that of their employees. Your statutory rights are not affected.

By entering the prize draw, you agree that any personal information provided by you with the competition entry may be held and used only by Puma Investments or its agents and suppliers to administer the competition.

Puma Investments reserves the right to hold void, suspend, cancel or amend the prize competition where it becomes necessary to do so.

These terms and conditions shall be governed by English law, and the parties submit to the non-exclusive jurisdiction of the courts of England and Wales.

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# Get in touch

We're here to help

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If you'd like to get in touch with us about your investment, or to find out more about the products and services we offer, you can:

## WRITE TO US

Puma Investments  
Cassini House  
57 St James's Street  
London SW1A 1LD

## EMAIL US

[investorsupport@pumainvestments.co.uk](mailto:investorsupport@pumainvestments.co.uk)

## CALL US

Investor Services Team  
**020 7408 4100**

## Risk factors

An investment with Puma Investments carries risks, for more information please see below and visit [www.pumainvestments.co.uk](http://www.pumainvestments.co.uk). Past performance is no indication of future results and share prices and their values can go down as well as up. Minimum returns are not guaranteed. An investment with Puma Investments can be viewed as high risk. Investors' capital may be at risk and investors may get back less than their original investment. Tax reliefs depend on individuals' personal circumstances, minimum holding periods and may be subject to change. Some investments should be regarded as illiquid and it may prove difficult for investors to realise immediately or in full the proceeds.

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