



PUMA HERITAGE
Calculated Excellence

ANNUAL REPORT &
ACCOUNTS 2017

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- Net Asset Value (NAV) of £31.7 million as at 28 February 2017 (£18.1 million as at 29 February 2016).
 - Earning a weighted average income of 7.81% on £29.6 million loan book as at 28 February 2017.
 - Adjusted NAV per Growth share of 102.51p as at 28 February 2017 (99.08p as at 29 February 2016), representing a 3.46% increase for the year.
 - Adjusted NAV per Income share (after adding back dividends paid of 2p) of 102.45p as at 28 February 2017 (99.08p as at 29 February 2016), representing a 3.40% increase for the year.
 - The pipeline of potential deals remains strong.

2 Chairman's Statement

The Board looks forward to the coming year with confidence. Small and medium size businesses are still finding it difficult to access the funding they require from traditional sources and the Board feels that there is a strong pipeline of transaction opportunities.

Introduction

I am pleased to present to you the annual report for Puma Heritage plc (the "Company" or "Group") for the year to 28 February 2017.

The Group commenced trading in July 2013 having been established to operate in a range of sectors predominantly in the United Kingdom, with an initial focus on secured lending. As at 28 February 2017 the loan book on which the Group was earning interest was £29.6 million, of which £25.2 million had been drawn (loans having been provided via its wholly owned subsidiary Heritage Square Limited (the "Subsidiary")), as described below. The weighted average income of this loan book was 7.81%.

In addition to the above loan book, as at 28 February 2017 the Group had offered further loan facilities totalling £13.7 million to fund future cashflow requirements of projects already backed by the Group, such facilities being non-interest earning until drawn. The cash in the Group at the year end is held on short term deposit in order to allow it to be deployed quickly in respect of these undrawn loan facilities, as well as to be available to fund new loans.

Notwithstanding the need to hold a level of cash to service undrawn commitments, the Board remains mindful of the desire to deploy cash quickly to drive returns for shareholders, whilst being equally mindful not to compromise the rigour with which all prospective loans are analysed to ensure they meet the Group's prudent appetite for risk. The Board is encouraged that the attractiveness of this offering has been evident through the increasing subscriptions for new shares received in the year.

Transactions

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.

In the financial year to 28 February 2017, I am pleased to report that we have completed a range of new loans, all with the benefit of first charge security, to a number of borrowers. The Board is pleased to report that loans have been made across a number of sectors, to a number of borrowers and are geographically diversified. In summary, the focus of the business has continued to be on loans underpinned by real estate and some of the highlights include the following:

- a loan of £2.5 million to fund the redevelopment (full demolition and rebuild) of a building on Tower Bridge Road, London into a commercial unit at ground level and apartments above.
- a loan of £1 million to acquire an industrial business park in Birmingham.
- a loan of £795,000 to fund the development of a new build 134-bed Ibis Budget Hotel and the associated infrastructure on Airport Way, Luton.
- a loan of £6.2m to fund the redevelopment (full demolition and rebuild) of a building into 8 apartments, 2 houses and 11,800 sq ft of B1 office space on a site that was previously a dairy depot in Bloomsbury near Russell Square station, London.
- a £3m facility with a bridge lending business which has successfully deployed over £50m of customer loans to date.

In relation to the loan to a Materials Recycling Facility ("MRF") operator, the company operating the MRF suffered a substantial fire at the premises on 28 February 2016 with the immediate consequence that the plant cannot now

operate and as a result, as first charge holders, the Group appointed an administrator over the business in early March 2016. The premises are fully insured and the administrator is currently overseeing the claim process, which the Board believes should result in a full recovery of the £750,000 loan. The Board will continue to monitor the situation closely in collaboration with the Trading Adviser.

Finally I am pleased to report that the Board considers there to be a strong pipeline of potential transaction opportunities which the Board expects the Group to proceed with over the coming weeks and months. The Board is cognisant of the need to ensure that, as the Group continues to attract capital, a strong and consistent pipeline of transactions is maintained to ensure that capital is put to work as efficiently as possible. At the same time, the Board will continue to undertake a rigorous review of all potential transactions which are under consideration to ensure that they fit within the Group's business strategy.

Results

The reported profit for the year was £862,000 (2016: £307,000 profit).

Outlook

The Board looks forward to the coming year with confidence. Small and medium size businesses are still finding it difficult to access the funding they require from traditional sources and the Board feels that there is a strong pipeline of transaction opportunities.

Peter Wisner
Chairman
30 May 2017

Peter Wisner

(Non-Executive Chairman)

Peter's first role in the financial markets was with Continental Illinois Bank where he developed his skills and interest in credit and risk analysis. This was followed by 10 years at Charterhouse where he was involved in corporate finance, capital markets and private equity both in London and New York. After 15 years in banking, Peter moved from an advisory role to executive management, first as Finance Director of a company requiring a turnaround and then as Chief Operating Officer of a rapidly growing international executive search and training company, both of which were sold successfully. He now divides his time between non-executive roles, banking training (including lecturing on credit risk in relation to which he has particular expertise) and corporate and investment strategy projects.

Michael Posen

Michael is an economist by training. After 6 years in industry Michael joined Chase Manhattan Bank specialising in property finance. He became Managing Director of the merchant banking arm of Continental Illinois Bank and was subsequently Senior Vice President and General Manager of First Interstate Bank in London. He also became a non-executive director of HDG Harbour Development Group from 1979 to 1987 and then founded Earl Estates, a private property company encompassing property development, asset management, project management, property finance and investment. Michael has arranged finance for property in the USA, Germany, France and the UK.

Michael van Messel

Michael joined Hacker Young following his undergraduate degree and qualified as a Chartered Accountant. He then worked as a specialist in their tax department and, subsequently, for Coopers and Lybrand within its financial services group. He joined Shore Capital in 1993 as Group Financial Controller and became Operations Director in 2000. He is the head of Shore Capital's finance team, including its treasury function, and is also responsible for all operations at Shore Capital including all banking facilities. Michael has been involved in assessing, and subsequently monitoring, each company to or in which Shore Capital has lent or invested money.

4 Strategic Report

The Directors present their Strategic Report of the Company for the year ended 28 February 2017.

Principal Activities and Status

Puma Heritage plc was incorporated and registered in England and Wales in November 2012, and was established to operate in a range of sectors predominantly in the United Kingdom, with an initial focus on secured lending.

The Company, through subsidiaries (together "the Group") undertakes trading activities, initially 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 Company currently has one wholly-owned subsidiary, Heritage Square Limited (the "Subsidiary"), which carries out secured lending.

Trading Activities

The Group was formed to engage in activities such as secured lending and asset leasing where the Board consider that there is strong asset-backing to provide downside risk protection and the Group will focus on capital preservation, whilst seeking to produce regular returns for Shareholders.

The Group will typically look to provide loans of between £0.5 million to £5 million to small and medium sized businesses. Loans of a larger size can be considered on a case-by-case basis. The term of such loans will be typically between 1 to 4 years. The Group may finance new projects, including the development of property or plant, which requires specialist financial knowledge. The Group looks to back counterparties with a proven track record in their chosen sector and will typically lend up to 70% of the cost of the project but may be able to lend more depending on the dynamics of the individual deals. Ideally the value of loans made will be up to 70% of the value of the secured assets. The Group may also provide bespoke loans secured on investment property suited to a range of borrowing scenarios where traditional bridging terms may be too short and where traditional loan criteria used by the major banks may not be suitable.

The Group engages mainly with businesses that are seeking debt finance, that have substantial tangible assets, such as freehold property or contracted/highly predictable revenue streams from financially robust counterparties (over which security will be taken). Within the remit of low risk, asset-backed enterprises, the Board will continue to monitor other opportunities for the deployment of cash in the future.

Principal Risks and Uncertainties

The principal risks facing the Group relate to its trading activities and how they are managed as follows:

Risks of loan non-performance

There are a variety of factors which could adversely affect the ability of counterparties to fulfil their payment obligations or which may cause other events of default. These include changes in financial and other market conditions, trading performance, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances.

Loans made by the Group may, after funding, become non-performing for a wide variety of reasons, including non-payment of principal or interest, as well as covenant violations by the

borrower in respect of the underlying loan documents. Such non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, substantial irrecoverable costs, a substantial reduction in the interest rate, a substantial write-down of the principal of such loan and/or a substantial change in the terms, conditions and covenants with respect to such defaulted loan. However, even if a restructuring were successfully accomplished, there is risk that, upon maturity of such loan, replacement "take-out" financing will not be available.

It is possible that the Group may find it necessary or desirable to foreclose on collateral securing one or more loans made by the Group. The foreclosure process can be lengthy and expensive, which could have a material negative effect on the anticipated return on the foreclosed loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This could substantially reduce the anticipated return on the foreclosed loan.

The level of defaults on loans and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. The liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is highly unlikely that the proceeds from such sale will be equal to the amount of unpaid principal and interest thereon, which would adversely affect the value of the loans and, consequently, the Group.

Business Property Relief may not be available

The Directors are committed to manage the Group with a view to ensuring that a subscription for Shares in the Company will offer Shareholders Business Property Relief from Inheritance Tax, but there can be no guarantee that the Group will fulfil the criteria to obtain such relief nor that HMRC will not challenge whether Shareholders are entitled to Business Property Relief, which may give rise to Shareholders incurring costs in engaging professional advisers.

Business Review and Future Developments

The Group's business review and future developments are set out in the Chairman's Statement on page 2.

Key performance indicators

At each board meeting, the Directors consider a number of performance measures to assess the Group's success in meeting its objectives. The Board believes the key performance indicators are movement in the Group's NAV, percentage of NAV deployed (being defined as the total loan book earning interest as a percentage of net assets) and the Earnings per Income and Growth share (being the increase in adjusted net asset value per share adjusted for dividends paid). The Board does not consider that the Group requires any non-financial key performance indicators. Details of these key performance indicators are explained in the Chairman's Statement on page 2.

Approved by the board and signed on its behalf by

Peter Wisner
Chairman
30 May 2017

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 28 February 2017.

Results and Dividends

The results for the financial year are set out on page 7. The Group's business review and future developments are set out in the Chairman's Statement on page 2.

The Directors are pleased to declare an interim dividend in respect of Redeemable Income Shares of 3p per share in respect of the year ending 28 February 2017 which will be paid to holders of income shares on the register as at 25 May 2017 (2016: 2p per share).

Capital Structure

The issued share capital of the Company is detailed in note 10 of these accounts. During the year ended 28 February 2017, the Company issued 425,339 Redeemable Income Shares and 13,842,788 Redeemable Growth Shares. During the year, the Company redeemed 51,775 Redeemable Income Shares and 1,574,239 Redeemable Growth Shares.

Gearing

The Company has the authority to borrow up to 50% of the Net Asset Value of the Company but there are currently no plans to take advantage of this capacity.

Directors

The Directors of the Company during the year were as follows:

Peter Wisner (Chairman)
Michael Posen
Michael van Messel

Michael van Messel is a key senior manager of the Shore Capital Group, and a director of the Trading Adviser and the Administrator.

Third Party Indemnity Provision for Directors

Qualifying third party indemnity provision was in place for the benefit of all Directors of the Company.

Financial Risk Management

The main financial risk that the Group faces are those associated with non-performance of current and future loans. The key financial instrument risk facing the Group is credit risk on its secured loans. Details of these risks are disclosed in the Strategic Report on page 4. The trading adviser performs detailed due diligence prior to new loans being provided to a new or existing borrower and closely monitors the on-going performance of the borrowers to minimise the risk of non-performance.

Auditor

RSM UK Audit LLP has expressed its willingness to continue in office.

Statement as to Disclosure of Information to the Auditor

The Directors in office at the date of this report have confirmed that, as far as they are aware, there is no relevant information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Statement of Directors' Responsibilities

The directors are responsible for preparing the Strategic Report and 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 Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law).

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 group and the company and of the profit or loss of the group for that year.

In preparing those financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the group's and the company's transactions and disclose with reasonable accuracy at any time the financial position of the group and 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 group and the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Post balance sheet events

Since the year end, a further 24,264 of income and 1,829,057 of growth shares have been issued for a consideration of £24,999 and £1,920,765 respectively.

During the same period, a total of 101,533 income shares and 354,460 growth shares have been redeemed for a consideration of £102,355 and £363,307 respectively.

Electronic publication

The financial statements are published on www.pumaheritage.co.uk. Legislation in the United Kingdom regulating the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Peter Wisner
Chairman

30 May 2017

6 Independent Auditor's Report to the Members of Puma Heritage plc

Opinion on financial statements

We have audited the group and parent company financial statements (the "financial statements") on pages 7 to 17. 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 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland".

In our opinion the financial statements:

- give a true and fair view of the state of the group's and parent company's affairs as at 28 February 2017 and of the group's 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.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at <http://www.frc.org.uk/auditscopeukprivate>

Opinion on other matter prescribed by the Companies Act 2006

In our opinion the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements and, based on the work undertaken in the course of our audit, the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the Strategic Report or 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 5 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

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

RICHARD COATES (Senior Statutory Auditor)

For and on behalf of **RSM UK Audit LLP**, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30 May 2017

Consolidated Profit and Loss Account

For the year ended 28 February 2017

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	Note	2017 £'000	2016 £'000
Trading book income	2	1,717	788
Administrative expenses	3	(648)	(401)
Operating profit		1,069	387
Interest income		10	12
		10	12
Profit before taxation		1,079	399
Taxation	4	(217)	(92)
Profit and total comprehensive income for the year		862	307

8 Consolidated Balance Sheet

Company number: 08285184

As at 28 February 2017

	Note	2017 £'000	2016 £'000
Assets			
Loans due after more than one year		10,377	3,513
Loans due within one year		14,836	4,278
Debtors and prepayments	7	1,121	1,678
Cash at bank and in hand		6,615	9,867
		32,949	19,336
Creditors - amounts falling due within one year			
	8	(1,216)	(915)
Net Current Assets			
		31,733	18,421
Creditors - amounts falling due after more than one year			
	8	-	(277)
Net Assets			
		31,733	18,144
Capital and Reserves			
Share capital	10	31	18
Share premium		30,598	17,861
Profit and loss account		1,104	265
Total Equity			
		31,733	18,144
Net Asset Value per Growth Share			
	11	102.23p	98.46p
Net Asset Value per Income Share *			
	11	100.18p	98.46p
Adjusted Net Asset Value per Growth Share			
	11	102.51p	99.08p
Adjusted Net Asset Value per Income Share *			
	11	100.45p	99.08p

* Net Asset Value per Income Share and Adjusted Net Asset Value per Income Share are stated after deduction of dividends paid in 2016 of 2p per Income Share. See Note 12 for further details.

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2017 and were signed on their behalf by:

Peter Wisner
Chairman

Company Balance Sheet

As at 28 February 2017

	Note	2017 £'000	2016 £'000
Fixed Assets			
Investments in subsidiary undertakings	6	10	10
Current Assets			
Debtors	7	31,302	18,633
Cash at bank and in hand		235	224
		31,537	18,857
Creditors - amounts falling due within one year	8	(774)	(641)
Net Current Assets		30,763	18,216
Total Assets less Current Liabilities		30,773	18,226
Creditors - amounts falling due after more than one year	8	-	(277)
Net Assets		30,773	17,949
Capital and Reserves			
Share capital	10	31	18
Share premium		30,598	17,861
Profit and loss account		144	70
Total Equity		30,773	17,949

As permitted by s408 of the Companies Act 2006, the Company has not presented its own profit and loss account and related notes. The Company's profit for the year was £97,000 (2016: £113,000).

The financial statements were approved and authorised for issue by the Board of Directors on 30 May 2017 and were signed on their behalf by:

Peter Wisner
Chairman

Consolidated Statement of Cash Flows

For the year ended 28 February 2017

	2017 £'000	2016 £'000
Reconciliation of profit after tax to net cash flow from operating activities		
Profit after tax	862	307
Tax charge for the year	217	92
Decrease/(Increase) in debtors	671	(763)
Decrease in creditors	(317)	(1,378)
(Increase)/Decrease in loan book	(17,422)	2,686
Net cash (outflow)/inflow from operating activities	(15,989)	944
Cash flow from investing activities		
Bank interest received	10	12
Net cash inflow from investing activities	10	12
Cash flow from financing activities		
Proceeds received from issue of ordinary share capital	14,693	9,497
Expense paid for issue of share capital	(314)	(225)
Redemption and cancellation of ordinary share capital	(1,629)	(2,059)
Dividend paid	(23)	-
Net cash inflow from financing activities	12,727	7,213
Net (decrease)/increase in cash and cash equivalents	(3,252)	8,169
Cash and cash equivalents at the beginning of the year	9,867	1,698
Cash and cash equivalents at the end of the year	6,615	9,867

Statement of Changes in Equity

For the year ended 28 February 2017

Group	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Opening balance as at 1 March 2015	11	10,655	(42)	10,624
Shares issued in the year	9	9,490	-	9,499
Expenses of share issues	-	(225)	-	(225)
Redemption of shares	(2)	(2,059)	-	(2,061)
Profit for the year	-	-	307	307
Balance as at 29 February 2016	18	17,861	265	18,144
Shares issued in the year	15	14,678	-	14,693
Expenses of share issues	-	(314)	-	(314)
Redemption of shares	(2)	(1,627)	-	(1,629)
Dividends paid to Income shareholders	-	-	(23)	(23)
Profit for the year	-	-	862	862
Balance as at 28 February 2017	31	30,598	1,104	31,733

Company	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Opening balance as at 1 March 2015	11	10,655	(43)	10,623
Shares issued in the period	9	9,490	-	9,499
Expenses of share issues	-	(225)	-	(225)
Redemption of shares	(2)	(2,059)	-	(2,061)
Profit for the year	-	-	113	113
Balance as at 29 February 2016	18	17,861	70	17,949
Shares issued in the year	15	14,678	-	14,693
Expenses of share issues	-	(314)	-	(314)
Redemption of shares	(2)	(1,627)	-	(1,629)
Dividends paid to Income shareholders	-	-	(23)	(23)
Profit for the year	-	-	97	97
Balance as at 28 February 2017	31	30,598	144	30,773

12 Notes to the Accounts

For the period ended 28 February 2017

1. Accounting Policies

Basis of Accounting

Puma Heritage plc ("the Company") is a public company limited by shares. It was incorporated and is registered and domiciled in England and Wales. The registered office is 42-50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ. The principal activities of the Company and its subsidiary ("the Group") are disclosed in the Strategic report.

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and the Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Group (Accounts and Reports) Regulations 2008, and under the historical cost convention.

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

The principal accounting policies adopted are set out below:

Basis of consolidation

The Group accounts consolidate the financial statements of the Company and all its subsidiary undertakings. Intra-group profits are eliminated on consolidation.

The Company has taken advantage of the exemptions in FRS 102 from the requirement to prepare a Company Statement of Cash Flows.

Going concern

The directors have considered the Group's and the Company's current financial position and cash flow requirements for the period to 31 May 2018 and after careful consideration, have concluded that it is appropriate to adopt the going concern for the preparation of these financial statements.

Cash at bank and in hand

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

Income

Interest receivable on loans is recognised on an accruals basis.

Expenses

All expenses (inclusive of VAT) are accounted for on an accruals basis.

Taxation

Corporation tax is applied to profits chargeable to corporation tax, if any, at the applicable rate for the year.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Group's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent years. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Reserves

Reserves of the Group represent the following:

Share Premium

Consideration received for shares issued above their nominal value net of transaction costs.

Profit and Loss Reserve

The cumulative profit and loss net of distributions to owners.

Dividends

Final dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established. The liability is established when the dividends proposed by the Board are approved by the Shareholders. Interim dividends are recognised when paid.

Investments

Investments in the Company's balance sheet are stated at cost, less any provision for impairments.

Equity instruments

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Company after deducting all of its liabilities. Equity instruments issued by the Company are recorded at proceeds received net of issue costs.

1. Accounting Policies continued

Debtors

Debtors include accrued income which is recognised at amortised cost, equivalent to the fair value of the expected balance receivable.

Key accounting estimates and assumptions

The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The key accounting estimates and assumptions used in the preparation of these financial statements relate to carrying value of the secured loans and any related unpaid accrued loan interest income.

2. Revenue

	2017 £'000	2016 £'000
Loan stock interest	1,692	788
Other income	25	-
Trading book income	1,717	788

3. Administrative Expenses

	2017 £'000	2016 £'000
Directors' remuneration	40	35
Auditor's remuneration for statutory audit	23	22
Non-audit fees – tax compliance	4	3

The Company had no employees (excluding directors) during the year ended 28 February 2017 (2016: nil). The Group had one employee (excluding Directors) during the year ended 28 February 2017 (2016: one). The average number of Directors during the year was 3 (2016: 3).

The total remuneration of the Directors who are considered to be key management personnel of the Group was £40,000 (2016: £35,000). Total social security costs in respect of key management personnel were £3,281 (2016: £2,465).

The Auditor's remuneration of £19,250 (2016: £18,500) has been grossed up in the table above to include irrecoverable VAT.

Directors' Remuneration

Peter Wisher and Michael Posen currently each receive a fee of £20,000 (2016: £20,000) per annum. Michael van Messel receives no fee.

In the event that the net assets of the Company, calculated as of the last day of the applicable quarter, fall below £10 million, the fees of Peter Wisher and Michael Posen each will reduce to £10,000 per annum. Michael van Messel shall continue to receive no fee.

The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

These are the total emoluments. There is no pension or share option scheme.

During the year, the Company accrued £116,000 (2016: £71,000) for administration fees and £314,000 (2016: £225,000) commission in respect of share issues and the Company's subsidiary, Heritage Square Limited, accrued £36,000 (2016: £16,000) for a business support fee. These fees were all charged by Puma Investment Management Limited, the trading advisor, or its related entities.

4. Taxation

	2017 £'000	2016 £'000
Profit before taxation	1,079	399
Tax charge calculated on profit before taxation at the applicable rate of 20% (2016: 20%)	216	80
Prior year adjustment	-	8
Expenses not deductible for tax purposes	1	4
Corporation tax charge	217	92

Notes to the Accounts continued

For the period ended 28 February 2017

5. Dividends

The Directors have declared an interim dividend in respect of redeemable Income Shares of 3p per share in respect of the year ending 28 February 2017 which will be paid to holders of Income Shares on the register as at 25 May 2017 (2016: 2p per share).

6. Investment in subsidiaries

				£'000
Cost as at 29 February 2016 and 28 February 2017				10
Additional information on subsidiaries				
Subsidiary	Country of registration and operation	Activity	Portion of ordinary shares and voting rights held	
Trading Companies				
Heritage Square Limited	England and Wales	Secured loan provider	100%	

7. Debtors

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Prepayments and accrued income	1,087	8	876	1
Other debtors	34	-	802	-
Amounts due from subsidiary undertaking	-	31,294	-	18,632
	1,121	31,302	1,678	18,633

Amounts due from subsidiary undertaking are unsecured, non-interest bearing and repayable on demand, except that the Company is only able to demand repayment of the loan to the extent that the subsidiary undertaking has cash available to pay it.

8. Creditors

	2017		2016	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Accruals	227	227	641	641
Corporation tax	217	-	84	-
Accrued advisory fees to Trading Adviser	547	547	-	-
Other creditors	225	-	190	-
	1,216	774	915	641
Amounts falling due after more than one year:				
Accrued advisory fees to Trading Adviser	-	-	277	277
	-	-	277	277

The Company has appointed Puma Investment Management Limited to act as Trading Adviser to the Group. During the period, fees of £270,000 (2016: £174,000) accrued in respect of advisory fees under this agreement. As detailed in the Prospectus, the payment of these fees is deferred until certain conditions are satisfied. These conditions may be satisfied during the year ending 28 February 2018, so the accrued fees are now disclosed as due within one year.

9. Financial instruments

The carrying value of the Group and Company's financial instruments at 28 February 2017 was:

	2017		2016	
	£'000 Group	£'000 Company	£'000 Group	£'000 Company
Financial assets:				
Debt instruments measured at amortised cost				
- Loans due after more than 1 year	10,377	-	3,513	-
- Loans due within 1 year	14,836	-	4,278	-
- Other debtors	1,121	8	1,678	1
- Amounts due from subsidiary	-	31,294	-	18,632
Total	26,334	31,302	9,469	18,633

	2017		2016	
	£'000 Group	£'000 Company	£'000 Group	£'000 Company
Financial liabilities:				
Measured at amortised cost				
- Accruals due within 1 year	999	774	831	641
- Accruals due after 1 year	-	-	277	277
Total	999	774	1,108	918

10. Share Capital

	2017		2016	
	Number	£'000 Value	Number	£'000 Value
Ordinary shares	2	-	2	-
Growth shares	29,622,769	30	17,354,220	17
Income shares	1,446,687	1	1,073,123	1
	31,069,458	31	18,427,345	18

Share movements in the year

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

	Redeemable Growth shares		Redeemable Income shares	
	Number	£'000 Value	Number	£'000 Value
As at 1 March 2015	8,857,519	9	2,204,370	2
Issued in the year	9,192,626	9	272,642	-
Redeemed in the year	(695,925)	(1)	(1,403,889)	(1)
As at 29 Feb 2016	17,354,220	17	1,073,123	1
Issued in the year	13,842,788	14	425,339	-
Redeemed in the year	(1,574,239)	(1)	(51,775)	-
As at 28 Feb 2017	29,622,769	30	1,446,687	1

Notes to the Accounts continued

For the period ended 28 February 2017

10. Share Capital (continued)

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.

11. Net Asset Value per Share

As at 28 February 2017

	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 28 February 2017	31,069,458	1,446,687	29,622,769	2
	Total £'000	Attributable to Income shares £'000	Attributable to Growth shares £'000	Ordinary shares £'000
Net assets	31,733	1,449	30,284	-
Add back: formation and preliminary costs incurred and expensed since inception	183			
Less: amortisation of formation and preliminary costs since inception	(97)			
Adjusted net assets as at 28 February 2017	31,819	1,453	30,366	-
Net asset value per share*	102.14p	100.18p	102.23p	-
Adjusted net asset value per share*	102.41p	100.45p	102.51p	-

* Net Asset Value per Income Share and Adjusted Net Asset Value per Income Share are stated after deduction of dividends paid in 2016 of 2p per Income Share. See Note 12 for further details.

As at 29 February 2016

	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 29 February 2016	18,427,345	1,073,123	17,354,220	2
	Total £'000	Attributable to Income shares £'000	Attributable to Growth shares £'000	Ordinary shares £'000
Net assets	18,144	1,057	17,087	-
Add back: formation and preliminary costs incurred and expensed since inception	181			
Less: amortisation of formation and preliminary costs since inception	(68)			
Adjusted net assets as at 29 February 2016	18,257	1,063	17,194	-
Net asset value per share	98.46p	98.46p	98.46p	-
Adjusted Net asset value per share	99.08p	99.08p	99.08p	-

As detailed in the Prospectus, formation and preliminary expenses incurred (including printing and advisory fees) in the establishment of the Company and in connection with the Offer are paid by the Company and expensed in its accounts when incurred as required by accounting rules. However, in relation to calculating the Adjusted Net Asset Value of the Shares for New Subscribers, these expenses will be amortised over 5 years from the Initial Closing Date in order to ensure that they are fairly attributed to initial and subsequent Investors.

12. Reconciliation of movement in Adjusted Net Asset Value per Share

	Attributable to Income Shares	Attributable to Growth Shares
As at 28 February 2015	97.06p	97.06p
Earnings per share for the year	2.02p	2.02p
As at 29 February 2016	99.08p	99.08p
Earnings per share for the year	3.37p	3.43p
Dividends paid to income shareholders	(2.00)p	-
As at 28 February 2017	100.45p	102.51p

13. Contingencies, Guarantees and Financial Commitments

As at 28 February 2017 the Group has loans committed but undrawn of £18.0 million (2016: £14.1 million).

14. Controlling Party

In the opinion of the Directors there is no immediate or ultimate controlling party.

15. Post Balance Sheet Events

Since the year end, a further 24,264 of income and 1,829,057 of growth shares have been issued for a consideration of £24,999 and £1,920,765 respectively.

During the same period, a total of 101,533 income shares and 354,460 growth shares have been redeemed for a consideration of £102,355 and £363,307 respectively.

18 Officers and Professional Advisers

Directors

Peter Wisher (Chairman)
Michael Posen
Michael van Messel

Auditor

RSM UK Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Registered Number

08285184

Solicitors

Charles Russell Speechlys LLP
5 Fleet Place
London EC4M 7RD

Registered Office

42-50 Hershams Road
Walton-on-Thames
Surrey KT12 1RZ

Bankers

The Royal Bank of Scotland plc
London City Office
PO Box 412
62-63 Threadneedle Street
London EC2R 8LA

Trading Advisor

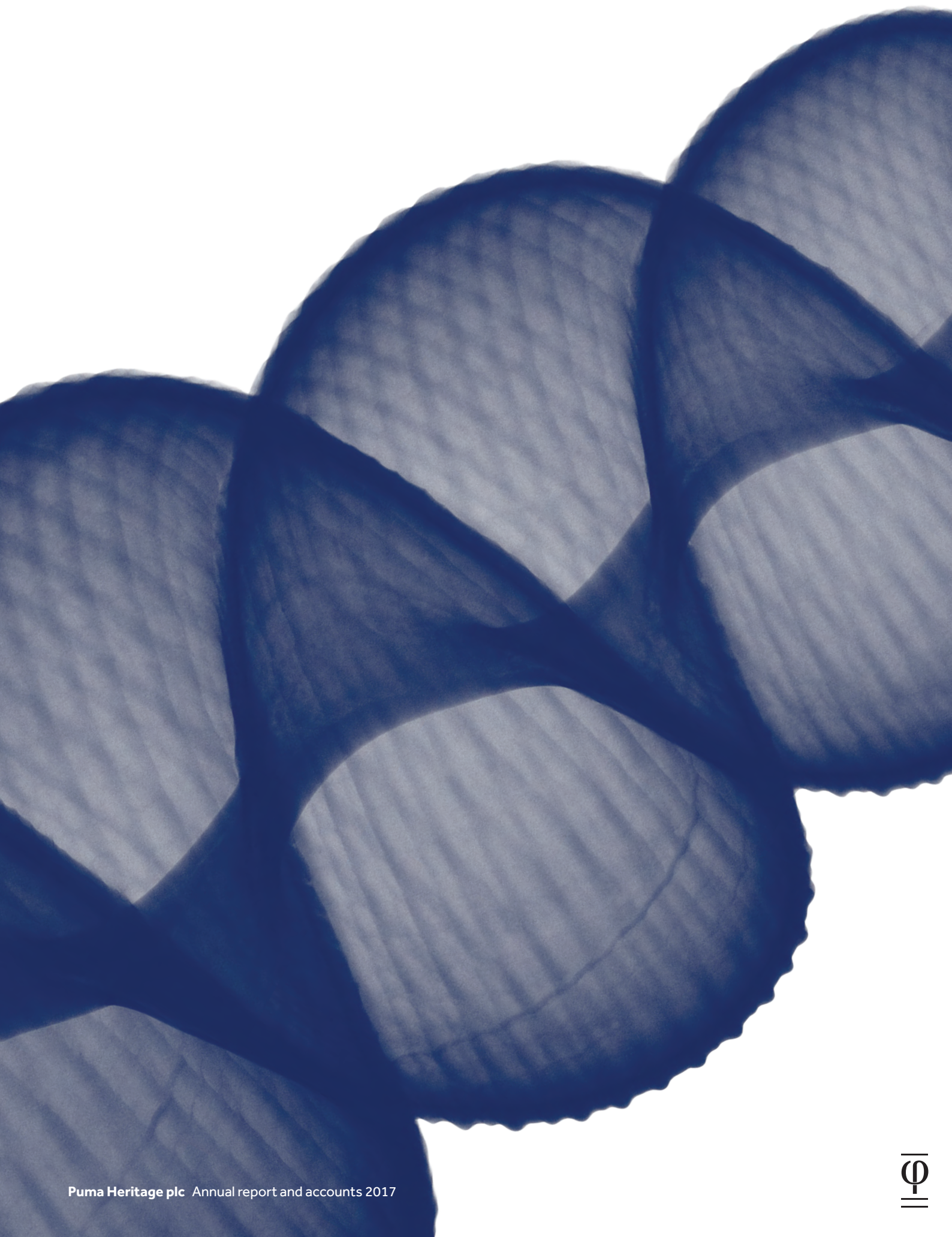
Puma Investment Management Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Registrar

SLC Registrars
42-50 Hershams Road
Walton-on-Thames
Surrey KT12 1RZ

Administrator

PI Administration Services Limited
Bond Street House
14 Clifford Street
London W1S 4JU



Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD at 10.30 am on Friday, 4 August 2017 (the "Meeting") for the following purposes:

Ordinary Business - Ordinary Resolutions

- 1 To receive and adopt the Company's accounts for the year ended 28 February 2017, together with the reports of the directors and auditors on those accounts.
- 2 To re-appoint RSM UK Audit LLP as Auditors of the Company to hold office from the conclusion of this Meeting until the conclusion of the next annual general meeting of the Company at which accounts are laid and to authorise the directors to determine their remuneration.

Special Business

To consider and, if thought fit, pass the following resolutions, of which resolution 3 will be proposed as an ordinary resolution and resolution 4 will be proposed as a special resolution:

- 3 That, in accordance with section 551 of the Companies Act 2006 ("CA 2006"), the directors of the Company ("Directors") be generally and unconditionally authorised to allot shares in the Company up to an aggregate nominal amount of £5,000,000 provided that this authority shall, unless renewed, varied or revoked by the Company, expire on 3 August 2022 save that the Company may, before such expiry, make an offer or agreement which would or might require shares to be allotted and the Directors may allot shares in pursuance of such offer or agreement notwithstanding that the authority conferred by this resolution has expired.

This authority revokes and replaces all unexercised authorities previously granted to the Directors but without prejudice to any allotment of shares already made or offered or agreed to be made pursuant to such authorities.

- 4 That, subject to the passing of resolution 3 and in accordance with section 570 of the CA 2006, the Directors be generally empowered to allot equity securities (as defined in section 560 of the CA 2006) pursuant to the authority conferred by resolution 3, as if section 561(1) of the CA 2006 did not apply to any such allotment.

By Order of the Board

David Venus & Company LLP
Company Secretary

Dated: 11 July 2017

Registered Office
42 – 50 Hersham Road,
Walton-on-Thames,
Surrey,
KT12 1RZ

Notes:

- 1 A member who is entitled to attend and vote at this Meeting may appoint one or more proxies to attend, speak and vote on his/her behalf. A shareholder may appoint more than one proxy in relation to the Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that shareholder. Such a proxy need not be a member of the Company.
- 2 In the case of joint shareholders, a vote tendered by the senior holder shall be accepted to the exclusion of all other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 3 To be valid, a Form of Proxy and the original (or certified true copy) of any power of attorney or other authority under which the Form of Proxy is signed must be lodged with the Company's registrars, SLC Registrars, 42 – 50 Hershams Road, Walton-on-Thames, Surrey, KT12 1RZ no later than 48 hours before the Meeting, weekends and Public Holidays excluded i.e. by 10.30 a.m. on Wednesday 2 August 2017. A Form of Proxy for use by shareholders is enclosed. Completion of the Form of Proxy will not prevent a shareholder from attending the Meeting and voting in person.
- 4 Any corporate shareholder can appoint one or more corporate representatives who may exercise on its behalf all of its powers as a member provided that they do not do so in relation to the same shares. In order to appoint a corporate representative a corporate shareholder must provide a letter of representation to their chosen representative, which must be surrendered to the Company upon registration at the Meeting.
- 5 The Directors' letters of appointment and a copy of the Articles of Association of the Company will be available for inspection during usual business hours on any weekday (Saturdays and Public Holidays excluded) at the registered office of the Company until the date of the Meeting and at the place of the Meeting for 15 minutes prior to and until the termination of the Meeting.

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Company number: 8285184
Puma Heritage plc

For use at the Annual General Meeting convened for 4 August 2017 at 10.30 am at the offices of Charles Russell Speechlys LLP, 5 Fleet Place, London EC4M 7RD (the "Meeting").

I/We _____
 (BLOCK CAPITALS PLEASE)

of _____
 being (a) member(s) of the Company hereby appoint the chairman of the Meeting (see Note 1) or

as my/our proxy and to attend and vote for me/us on my/our behalf at the Meeting and at any adjournment thereof. My/our proxy is to vote as indicated below in respect of the Resolutions set out in the Notice of Annual General Meeting (see Note 2). On any other business which may properly come before the Meeting (including any motion to amend a resolution or to adjourn the Meeting) the proxy will act at his/her own discretion.

Please indicate by placing an X in this box if this proxy appointment is one of multiple appointments being made (see Note 2).

Ordinary Business - Ordinary Resolutions		For	Against	Withheld
1	To receive and adopt the Report and Accounts			
2	To re-appoint RSM UK Audit LLP as auditors and to authorise the Directors to determine their remuneration			
Special Business - Ordinary Resolution				
3	To authorise the Directors to allot shares			
Special Business – Special Resolution				
4	Authority under section 570 of the Companies Act 2006 for the Directors to disapply pre-emption rights in relation to the allotment of equity securities for cash			

My/our proxy is to vote as indicated in this form (see Note 4). Unless otherwise instructed the proxy may vote as he or she sees fit or abstain in relation to any business of the Meeting.

Dated _____

Signed or sealed (see Note 5)

Notes:

- 1 If a member wishes to appoint as a proxy a person other than the chairman of the Meeting, the name of the other person should be inserted in block capitals in the space provided and the words "the chairman of the Meeting (see Note 1) or" should be deleted. A proxy need not be a member of the Company but must attend the Meeting in person. Any alteration or deletion must be signed or initialled.
- 2 If the proxy is being appointed in relation to less than your full voting entitlement, please enter in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. If left blank your proxy will be deemed to be authorised in respect of your full voting entitlement (or if this proxy form has been issued in respect of a designated account for a shareholder, the full voting entitlement for that designated account). Any alteration or deletion must be signed or initialled.
- 3 A member may appoint more than one proxy in relation to a meeting, provided that the proxy is appointed to exercise the rights attached to a different share or shares held by him. To appoint more than one proxy, please contact the Company's registrars, SLC Registrars, 42 – 50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ for (an) additional form(s) or you may photocopy this form. Please indicate in the box next to the proxy holder's name the number of shares in relation to which they are authorised to act as your proxy. Please also indicate by placing an X in the box provided if the proxy instruction is one of multiple instructions being given. All forms must be signed and returned in the same envelope together.
- 4 A member should indicate by marking the box headed either FOR, AGAINST or WITHHELD with an 'X' to show how he wishes his vote to be cast in respect of each of the resolutions set out in the Notice of Annual General Meeting. Unless so instructed, the proxy will vote or abstain as he thinks fit. The Vote Withheld option is provided to enable a member to instruct the proxy not to vote on any particular resolution, however it should be noted that a vote withheld in this way is not a "vote" in law and will not be counted in the calculation of the proportion of votes FOR and AGAINST a resolution.
- 5 In the case of a corporate shareholder, this Form of Proxy should be given under its seal or signed on its behalf by an attorney or duly authorised officer. In the case of joint holders the Form of Proxy should be signed by the senior holder and the names of all joint holders should be shown. A vote tendered by the senior holder shall be accepted to the exclusion of all other joint holders. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).
- 6 Use of this Form of Proxy does not preclude a member from attending the Meeting and voting in person.
- 7 To be valid, this Form of Proxy must be lodged together with the power of attorney or other authority (if any) under which it is signed, or a certified true copy of such power or authority, to the Company's registrars, SLC Registrars, 42 – 50 Hersham Road, Walton-on-Thames, Surrey, KT12 1RZ, not later than 48 hours before the Meeting (excluding weekends and bank holidays) or any adjournment thereof or, in the case of a poll, not later than 48 hours before the time appointed for taking the poll (excluding weekends and bank holidays) i.e. by 10.30 a.m. on Wednesday 2 August 2017.



PUMA INVESTMENTS

Promoter

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14 Clifford Street London, W1S 4JU

Adviser Enquiries: 020 7408 4070
Investor Enquiries: 020 7408 4100

E: info@pumainvestments.co.uk
www.pumainvestments.co.uk

Puma Investments is a trading name of
Puma Investment Management Limited which
is authorised and regulated by the Financial
Conduct Authority, FCA Number 590919