

INTERIM REPORT 2024

Puma Heritage Limited

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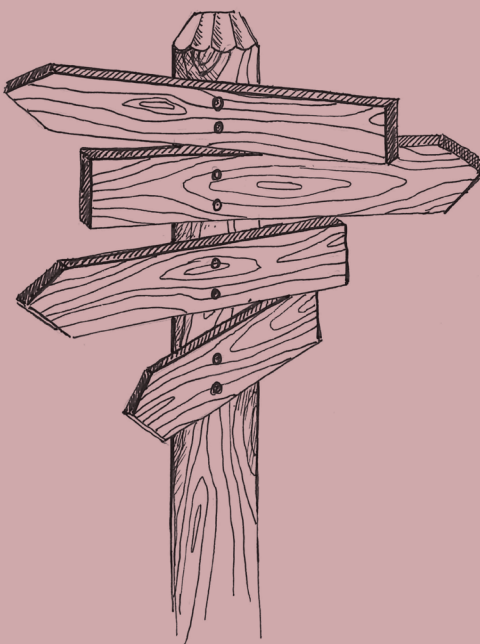
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Officers and Professional Advisers

Directors

Michael Posen (Chairman)
Graeme Alfille-Cook
Michael van Messel

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Revenue of £13.6 million
for the period, up 38%
on the previous year

Pre-tax profits of £7.2m
(2023: £5.2 million)

Dividend of 3.25p
per share paid on
Income Shares

Balance sheet size
of £326 million as at
31 August 2024, an
increase of £77 million
in the period

NAV per Growth Share
of 130.73p as at 31 August
2024, a year-on-year
increase of 3.4%

Chairman's statement

I am pleased to present the interim report for Puma Heritage Limited (the "Company" or "Group") for the six-month period to 31 August 2024.

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

The Group has recorded a successful half-year, in which revenues grew by 38% to £13.6 million, delivering pre-tax profits of £7.2 million. NAV per share for growth shares has grown at an annualised rate of 3.4%, ahead of the Group's target.

Activity during the period

Puma Heritage passed another milestone in 2024, having funded developments with a value in excess of £2 billion whilst maintaining its track record of having suffered no capital losses. Moreover, total balance sheet size of the Group is now approaching £400m.

The Group continues to maintain a defensive approach to lending. The loan book's weighted average loan-to-value remains at a conservative 62.0%. All loans benefit from first charge security over UK real estate, typically together with further credit support in the form of third-party guarantees. This should provide significant protection in the event of further economic turbulence.

35 new loans were completed in the period to multiple borrowers and cover a diverse range of sectors and geographies. Importantly, 19 loans were repaid during the period helping to generate important natural liquidity for the business.

Loan book and cash holdings

As at 31 August 2024 the Group's loan book had £297 million drawn (loans having been provided via its wholly owned subsidiary Heritage Square Limited (the "Subsidiary")), as described below. The loan book is well diversified across a variety of residential and commercial sectors and UK locations.

The Group was holding £3.8 million of cash at the period end. This is in place both to meet future funding commitments on the existing loan book, as well as to be available to fund new loans. All cash is held in instant access accounts to enable immediate deployment. The Group also has access to a revolving credit facility provided by National Westminster Bank Plc, which is limited to a maximum of 15% of Net Asset Value. The board has no current intention to increase this limit. At the period-end, the revolving credit facility had an outstanding balance of £13.9m. The balance was

repaid in full following the period-end.

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

Outlook

The Board continues to appraise new lending opportunities and the Group has completed 21 new loans since the period end. There is a strong pipeline of transactions in place which it is anticipated will be executed over the coming months. In doing so, we will continue to assess values in the light of emerging events, and our focus on managing risk and lending at conservative levels remains ever-present.

The Group has taken a cautious approach over the last year to ensure that the weighted average loan-to-value across the loan book remains at an appropriate level. No capital impairments of loan positions were made during the period nor have any been required since the period end.

We consider that 2025 will give us many opportunities to underwrite loans that deliver a good risk-adjusted return to enable Puma Heritage to continue to deliver a return to shareholders above its annual target. And we continue to maintain oversight on our ever-growing portfolio of loans to ensure that they perform as expected.

Michael Posen

Chairman
18 February 2025

Consolidated Profit and Loss Account

(unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

	Six months ended 31 August 2024	Six months ended 31 August 2023	Year ended 29 February 2024
	Total £'000	Total £'000	Total £'000
Trading book income	13,635	9,870	20,989
Admin expenses	(6,170)	(4,748)	(10,403)
Operating profit	7,465	5,122	10,586
Interest payable	(394)	-	(118)
Interest income	95	125	490
Operating profit	(299)	125	372
Profit/Loss on ordinary activities before taxation	7,166	5,247	10,958
Tax on return on ordinary activities	(1,807)	(1,250)	(2,680)
Profit/Loss on ordinary activities after tax attributable to equity shareholders	5,359	3,997	8,278

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

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

Consolidated balance sheet

(unaudited)

AS AT 31 AUGUST 2024

		As at 31 August 2024	As at 31 August 2023	As at 29 February 2024
	Note	£'000	£'000	£'000
Assets				
Loans due after more than one year		59,116	56,409	46,792
Loans due within one year		237,494	152,334	198,085
Debtors and prepayments		50,616	35,361	45,865
Cash		3,856	17,639	12,071
		351,082	261,743	302,813
Creditors - amounts falling due within one year		(25,310)	(12,507)	(10,694)
Net Assets		325,772	249,236	292,119
Capital and Reserves				
Share capital	4	250	198	228
Share premium		290,649	223,717	262,288
Profit and loss account		34,873	25,321	29,603
Equity Shareholders' Funds		325,772	249,236	292,119
Net Asset Value per Growth Share	5	130.73p	126.48p	128.50p
Net Asset Value per Income Share		99.77p	99.68p	101.29p

Consolidated cash flow statement

(unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2024

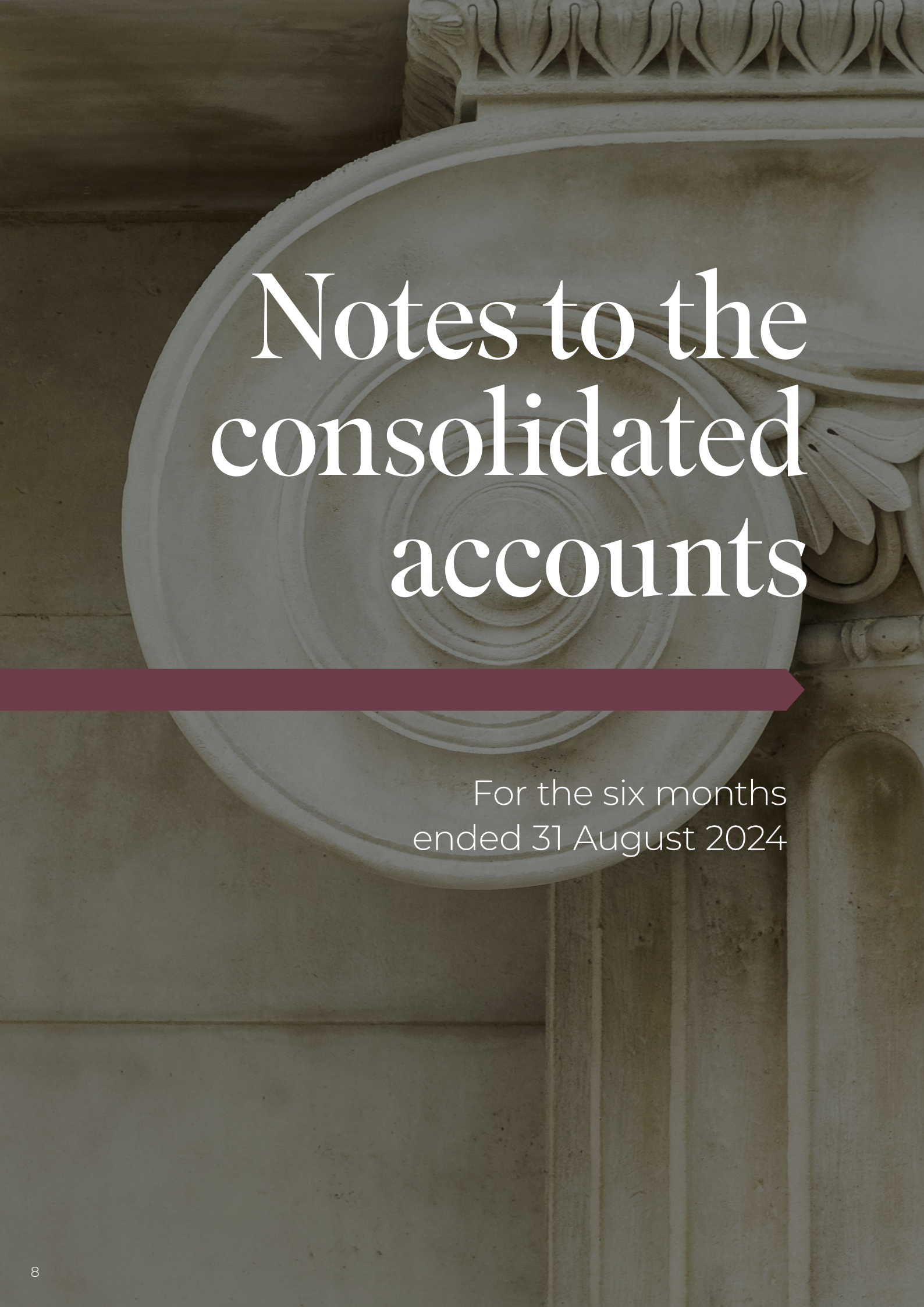
	Six months ended 31 August 2024	Six months ended 31 August 2023	Year ended 29 February 2024
	£'000	£'000	£'000
Reconciliation of profit after tax to net cash flow from operating activities			
Profit on ordinary activities after taxation	5,359	3,997	8,278
Tax charge for the year	1,807	1,250	2,680
Interest Income	(95)	(125)	(490)
Interest payable	394	-	118
Decrease in debtors	(4,751)	(9,794)	(20,298)
Increase/(Decrease) in trade creditors	699	(779)	(1,386)
Increase in loan book	(51,733)	(29,339)	(65,473)
Corporation tax paid	(1,740)	(659)	(3,295)
Net cash inflow/(outflow) from operating activities	(50,060)	(35,449)	(79,866)
Cash flow from investing activities			
Bank interest received	95	125	490
Net cash inflow from investing activities	95	125	490
Cash flow from financing activities			
Proceeds received from issue of ordinary share capital	38,632	37,992	83,988
Proceeds from borrowings	54,150	(4,278)	13,000
Repayment of borrowings	(40,300)	-	(13,000)
Interest paid	(394)	-	(118)
Redemption and cancellation of ordinary share capital	(10,249)	-	(14,463)
Dividends paid	(89)	(88)	(88)
Net cash Inflow from financing	41,750	30,834	69,318
Increase/(Decrease) in cash in the period	(8,215)	(4,490)	(10,058)
Reconciliation of net cashflow to movement in net funds			
(Decrease) in cash in the period	(8,215)	(4,490)	(10,058)
Cash and cash equivalents at the beginning of the period	12,071	22,129	22,129
Cash and cash equivalents at the end of the period	3,856	17,639	12,071

Statement of changes in equity

(unaudited)

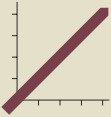
FOR THE SIX MONTHS ENDED 31 AUGUST 2024

Group	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total £'000
Balance as at 1 March 2023	173	192,820	21,412	159,058
Shares issued in the period	30	37,962	-	29,457
Shares redeemed in the period	(5)	(7,065)	-	(4,278)
Dividends paid	-	-	(88)	(90)
Return after taxation attributable to equity shareholders	-	-	3,997	2,872
Balance as at 31 August 2023	198	223,717	25,321	249,236
Shares issued in the period	36	45,960	-	45,996
Shares redeemed in the period	(6)	(7,389)	-	(7,395)
Dividends paid	-	-	-	-
Return after taxation attributable to equity shareholders	-	-	4,281	4,281
Balance as at 29 February 2024	228	262,288	29,603	292,119
Shares issued in the period	30	38,602	-	38,632
Shares redeemed in the period	(8)	(10,241)	-	(10,249)
Dividends paid	-	-	(89)	(89)
Return after taxation attributable to equity shareholders	-	-	5,359	5,359
Balance as at 31 August 2024	250	290,649	34,873	325,772



Notes to the consolidated accounts

For the six months
ended 31 August 2024



1. Financial information

Basis of preparation

The annual financial statements of Puma Heritage Limited (the “Group”) are prepared in accordance with UK Generally Accepted Accounting Practice (“UK GAAP”). The condensed set of financial statements included in this interim financial report for the period ended 31 August 2024 has been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”.

Going concern

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

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

Significant accounting policies

The same accounting policies, presentation and methods of computation are followed in the condensed set of financial statements as are applied in the Group's latest audited Annual Report and Accounts for the period ended 28 February 2024.

2. Principal risks and uncertainties

The Group's policies for managing the risks arising from its activities are set out in the last audited Annual Report and Accounts of the Group that were issued on 17 October 2024.

3. Dividends

A dividend of 3.25p per share (2023: 3.25p) was paid on the Company's Income shares on 3 June 2024.

4. Share Capital and Share Premium

	As at 31 August 2024		As at 31 August 2023		As at 29 February 2024	
	Number	Value £'000	Number	Value £'000	Number	Value £'000
Ordinary shares	2	-	2	-	2	-
Growth shares	247,122,264	247	194,922,870	195	225,198,535	225
Income shares	2,713,107	3	2,713,107	3	2,713,107	3
	<u>249,835,373</u>	<u>250</u>	<u>197,635,979</u>	<u>198</u>	<u>227,911,644</u>	<u>228</u>

SHARE MOVEMENTS IN PERIOD

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

	Redeemable Growth Shares		Redeemable Income Shares	
	Number	Value £'000	Number	Value £'000
As at 28 February 2024	225,198,535	225	2,713,107	3
Issued in the period	29,839,563	30	-	-
Redeemed in the period	(7,915,834)	(8)	-	-
As at 31 August 2024	<u>247,122,264</u>	<u>247</u>	<u>2,713,107</u>	<u>3</u>

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 week 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 week 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.

5. Net Asset Value per Share

	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 31 August 2024	249,835,373	2,713,107	247,122,264	2
Net assets (£'000)	325,772	2,707	323,065	-
Net asset value per share	130.39p	99.77p	130.73p	-
New Subscriber Net Asset Value per share	130.39p	99.77p	130.73p	-

6. Events after the period

A further 44,068,612 Growth shares and nil Income shares have been issued up to 31 January 2025. An additional 6,670,911 Growth shares and 14,692 Income shares were redeemed in the period.

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