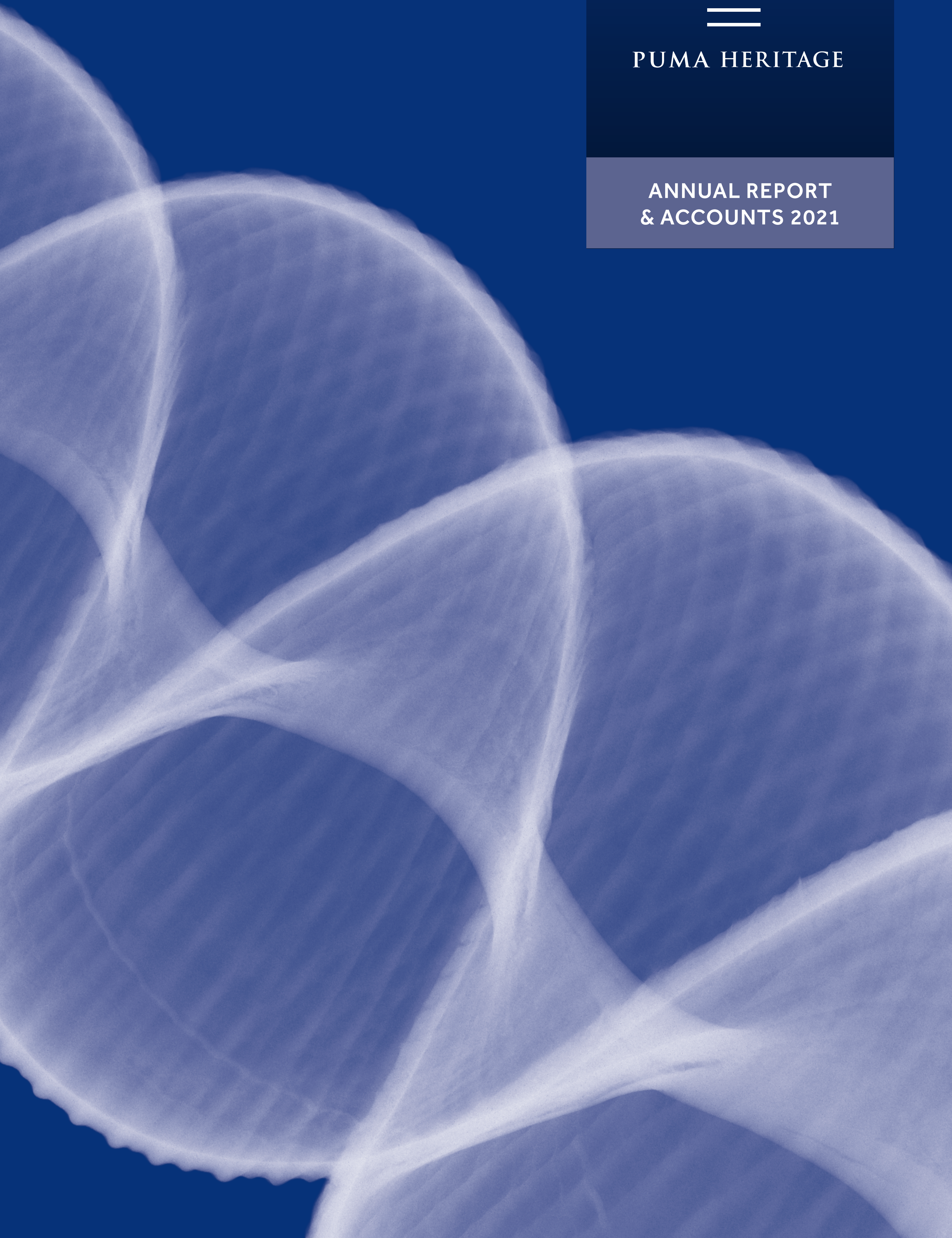
PUMA HERITAGE

ANNUAL REPORT & ACCOUNTS 2021



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Officers and Professional Advisers

DIRECTORS
Michael Posen (Chairman)
Michael van Messel
Jim Brydie

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Chairman's Statement

HIGHLIGHTS

- Revenue of £9.6 million for the period, up 28% on the previous year
- Pre-tax profits of £4.8m (2020: £4.0 million)
- Net Asset Value (NAV) of £127.6 million as at 28 February 2021, an increase of £10.3 million in the year
- Adjusted NAV per Growth Share of 116.93p as 28 February 2021 (113.31p as at 29 February 2020), representing a 3.20% increase for the year
- Dividend of 3.15p per share (2020: 3.0p per share) paid to Income shareholders

I am pleased to present to you the annual report for Puma Heritage Limited (the "Company" or "Group") for the year to 28 February 2021.

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

The Group has recorded a successful year, in which revenues grew by 28% to £9.6 million, delivering pre-tax profits of £4.8 million. NAV per share for both growth and income share classes, adjusting for dividends paid to income shareholders, grew in excess of the Group's target of 3% per annum.

ACTIVITY DURING THE YEAR

The year was of course dominated by the Covid-19 pandemic. Despite the obvious challenges that this has presented, the Company has continued to raise funds and transact new business.

Eleven new loans were completed in the year, comprising £119m of new funding commitments, all with the benefit of first charge security. Loans were made to multiple borrowers and cover a diversity of sectors and geographies. Importantly, 14 loans totalling £74m were repaid during the year. No impairments were required to the loan book during the year, or subsequent to year end.

Although investor demand understandably slowed during the depths of the lockdown months, the Company continued to record applications for new share subscriptions throughout the year, the pace of which have increased encouragingly in the second half of the period and subsequent to the year end. Over £13 million of new shares were issued in the period. The attraction of the Company's offering has been evidenced in the absence of any material increase in requests for redemptions. Trading profits and net subscriptions resulted in the growth of the Company's net assets by 9% to over £128 million by the year end.

LOAN BOOK AND CASH HOLDINGS

As at 28 February 2021 the Group's committed loan book was £205 million, of which £109 million had been drawn (loans having been provided via its wholly owned subsidiary Heritage Square Limited), as described below. The loan book all benefits from first charge security and is well diversified across a variety of residential and commercial sectors and UK geographies.

The Group was holding £17m of cash at the year end, which is in place both to meet future funding commitments on the existing loan book, as well as to be available to fund new loans. All cash is held in instant access accounts to enable immediate deployment.

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

OUTLOOK

The Covid-19 pandemic that has been in effect for this financial year continues to render much economic activity uncertain in the short term. As noted above, fundraising in the Group has recovered well in recent months and there continues to be no discernible increase in requests for redemptions from shareholders. The Group's loan book is well diversified and is not overly exposed to those industries most severely impacted by the pandemic.

The Board continues to appraise new lending opportunities and has closed 7 new loans comprising £57m of funding commitment since the year-end. There is a healthy pipeline of transactions in place which the Group anticipates executing over the coming months. In doing so, the Board will continue to assess values in the light of emerging events, and our focus on managing risk and lending at conservative levels remains ever-present.

Michael Posen
Chairman

27 August 2021

Directors' Biographies

MICHAEL POSEN (CHAIRMAN)

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.

JIM BRYDIE

Jim is a career banker who spent 30 years with RBS, the last few years as Head of Corporate & Property Finance. Thereafter he was involved in the Irish Banking system, including the exit by IBRC from the USA and latterly as CEO of the UK business winding this down from a £14bn exposure. More recently he has chaired a recovery vehicle for assets in Russia and Ukraine. He is also Non-Executive Director of Brown Shipley Private bank.

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.

Strategic Report

The Directors present their Strategic Report of the Company for the year ended 28 February 2021.

PRINCIPAL ACTIVITIES AND STATUS

Puma Heritage Limited was incorporated and registered in England and Wales on 7 November 2012 as Puma Heritage Plc. It was established to operate in a range of sectors predominantly in the United Kingdom, with an initial focus on secured lending. On 4 November 2019, the Company re-registered as Puma Heritage Limited.

The Company, through its 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 £5 million to £35 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 3 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 85% 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 are 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.

Strategic Report
continued

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 pages 2 and 3.

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 pages 2 and 3.

SECTION 172 STATEMENT - DUTY TO PROMOTE THE SUCCESS OF THE COMPANY

Section 172 of the Companies Act requires directors of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

a) the likely consequences of any decision in the long term,

b) the interests of the company's employees,

c) the need to foster the company's business relationships with suppliers, customers and others,

d) the impact of the company's operations on the community and the environment,

e) the desirability of the company maintaining a reputation for high standards of business conduct, and

f) the need to act fairly as between members of the company.

As set out in the Chairman's Statement and elsewhere in the Strategic Report, the Directors have had regard to those matters detailed above as far as relevant to the company. In particular, the Directors are focussed on the likely long term consequences of decisions and the importance of maintaining high standards of business conduct as a result as ensuring that all members are treated fairly.

Approved by the board and signed on its behalf by:

Michael Posen
Chairman

27 August 2021

Directors' Report

The Directors present their annual report and the audited consolidated financial statements of the Group for the year ended 28 February 2021.

RESULTS AND DIVIDENDS

The results for the financial year are set out on page 12. The Group's business review and future developments are set out in the Chairman's Statement on pages 2 and 3.

The Directors were pleased to pay an interim dividend in respect of Redeemable Income Shares of 3.15p per share in respect of the year ended 28 February 2021 which was paid to holders of Income shares on the register as at 25 June 2021 (2020: 3p per share).

POST BALANCE SHEET EVENTS

Details of material post-balance sheet events are set out in note 13 to the financial statements.

CAPITAL STRUCTURE

The issued share capital of the Company is detailed in note 9 of these accounts. During the year ended 28 February 2021, the Company issued 267,850 Redeemable Income Shares and 11,711,188 Redeemable Growth Shares. During the year, the Company redeemed 273,154 Redeemable Income Shares and 6,029,748 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:

Michael Posen (Chairman)

Michael van Messel

Jim Brydie

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.

BUSINESS RELATIONSHIPS

The directors' statement summarising how the directors have had regard to the need to foster the company's business relationships with suppliers, customers and others, and the effect of that regard, including on the principal decisions taken by the company during the financial year is incorporated into the section 172 statement disclosures set out in the Strategic Report on page 6.

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 pages 5 and 6. 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.

Directors' Report
continued

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

a) select suitable accounting policies and then apply them consistently;

b) make judgements and accounting estimates that are reasonable and prudent;

c) state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

d) 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.

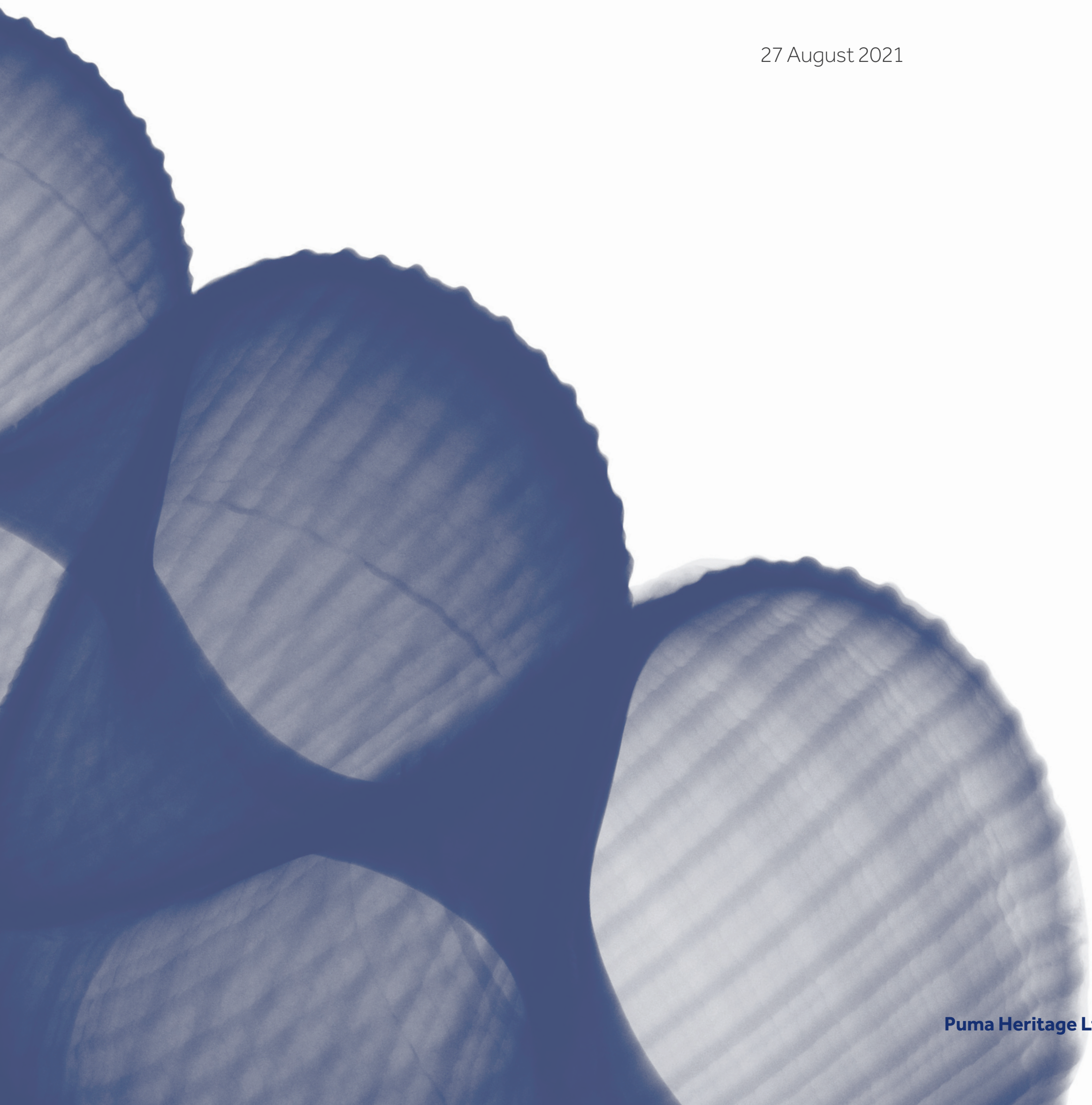
ELECTRONIC PUBLICATION

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

Michael Posen
Chairman

27 August 2021



Independent Auditor's Report

TO THE MEMBERS OF PUMA HERITAGE LIMITED

OPINION

We have audited the financial statements of Puma Heritage Limited (the 'parent company') and its subsidiary (the 'group') for the year ended 28 February 2021 which comprise the Consolidated Profit and Loss Account, Consolidated Balance Sheet, Company Balance Sheet, Consolidated Statement of Cash Flows, Statement of Changes in Equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and the parent company's affairs as at 28 February 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

CONCLUSIONS RELATING TO GOING CONCERN

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's or the parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

OTHER INFORMATION

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

OPINIONS ON OTHER MATTERS PRESCRIBED BY THE COMPANIES ACT 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- 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 group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which 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.

Independent Auditor's Report

TO THE MEMBERS OF PUMA HERITAGE LIMITED

continued

RESPONSIBILITIES OF DIRECTORS

As explained more fully in the directors' responsibilities statement set out on page 8, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

THE EXTENT TO WHICH THE AUDIT WAS CONSIDERED CAPABLE OF DETECTING IRREGULARITIES, INCLUDING FRAUD

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the group audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the group and parent company operates in and how the group and parent company are complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

As a result of these procedures we consider the most significant laws and regulations that have a direct impact on the financial statements are FRS 102, the Companies Act 2006 and tax compliance regulations. We performed audit procedures to detect non-compliances which may have a material impact on the financial statements which included reviewing financial statement disclosures, completing a financial statements disclosure checklist and evaluating advice received from tax advisors.

The group audit engagement team identified the risk of management override of controls as the area where the financial statements were most susceptible to material misstatement due to fraud. Audit procedures performed included but were not limited to testing a sample of journal entries and other adjustments and evaluating the business rationale in relation to significant, unusual transactions and transactions entered into outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

USE OF OUR REPORT

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Richard Coates (Senior Statutory Auditor)

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

27 August 2021

Consolidated Profit and Loss Account

FOR THE YEAR ENDED 28 FEBRUARY 2021

	Note	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Trading book income	2	9,620	7,539
Administrative expenses	3	(4,823)	(3,591)
Operating profit		4,797	3,948
Interest income		31	57
Profit before taxation		4,828	4,005
Taxation	4	(928)	(805)
Profit and total comprehensive income for the year		3,900	3,200

Consolidated Balance Sheet

COMPANY NUMBER: 08285184

AS AT 28 FEBRUARY 2021

	Note	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Assets			
Loans due after more than one year		36,644	11,232
Loans due within one year		71,966	71,652
Debtors	**7**	10,812	6,770
Cash		17,105	39,564
		136,527	129,218
Creditors - amounts falling due within one year	**8**	(8,969)	(11,957)
Net Current Assets		127,558	117,261
Net Assets		127,558	117,261
Capital and Reserves			
Share capital	**9**	109	104
Share premium		115,979	109,498
Profit and loss account		11,470	7,659
Equity Shareholders' Funds		127,558	117,261
Net Asset Value per Growth Share	**10**	116.85p	113.23p
Net Asset Value per Income Share*		101.43p	101.40p
Adjusted Net Asset Value per Growth Share	**10**	116.93p	113.31p
Adjusted Net Asset Value per Income Share*	**10**	101.50p	101.47p

* Net Asset Value per Income Share and Adjusted Net Asset Value per Income Share are stated after deduction of cumulative dividends paid to date of 14.15p (2020: 11p).

The financial statements were approved and authorised for issue by the Board of Directors on 27 August 2021 and were signed on their behalf by:

Michael Posen
Chairman

Company Balance Sheet
AS AT 28 FEBRUARY 2021

	Note	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Fixed Assets			
Investments	6	10	10
Current Assets			
Debtors	7	119,526	112,146
Cash		309	139
		119,835	112,285
Creditors - amounts falling due within one year	8	(3,637)	(2,623)
Net Current Assets		116,198	109,662
Net Assets		116,208	109,672
Capital and Reserves			
Share capital	10	109	104
Share premium		115,979	109,498
Profit and loss account		120	70
Equity Shareholders' Funds		116,208	109,672

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 £139,000 (2020: profit of £5,000).

The financial statements were approved and authorised for issue by the Board of Directors on 27 August 2021 and were signed on their behalf by:

Michael Posen
Chairman

Consolidated Statement of Cash Flows

FOR THE YEAR ENDED 28 FEBRUARY 2021

Reconciliation of profit after tax to net cash flow from operating activities	Year ended 28 February 2021 £'000	Year ended 29 February 2020 £'000
Profit after tax	3,900	3,200
Tax charge	928	805
Interest income	(31)	(57)
Increase in debtors	(4,042)	(4,218)
Increase in creditors	(3,096)	9,587
Increase in loan book	(25,726)	(18,380)
Corporation tax paid	(820)	(690)
Net cash outflow from operating activities	(28,887)	(9,753)
Cash flow from investing activities		
Interest received	31	57
Net cash inflow from investing activities	31	57
Cash inflow from investing activities		
Proceeds received from issue of ordinary share capital	13,721	41,332
Expense paid for issue of share capital	-	(221)
Redemption and cancellation of ordinary share capital	(7,235)	(3,545)
Dividend paid	(89)	(75)
Net cash inflow from financing	6,397	37,491
Net (decrease)/increase in cash and cash equivalents	(22,459)	27,795
Cash and cash equivalents at the beginning of the year	39,564	11,769
Cash and cash equivalents at the end of the year	17,105	39,564

Statement of Changes in Equity

FOR THE YEAR ENDED 28 FEBRUARY 2021

Group	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance as at 1 March 2019	**70**	**71,966**	**4,534**	**76,570**
Shares issued in the period	37	41,295	-	41,332
Shares redeemed in the period	(3)	(3,542)	-	(3,545)
Expenses of share issues	-	(221)	-	(221)
Dividends paid	-	-	(75)	(75)
Profit for the year	-	-	3,200	3,200
Balance as at 29 February 2020	**104**	**109,498**	**7,659**	**117,261**
Shares issued in the period	11	13,710	-	13,721
Shares redeemed in the period	(6)	(7,229)	-	(7,235)
Expenses of share issues	-	-	-	-
Dividends paid	-	-	(89)	(89)
Profit for the year	-	-	3,900	3,900
Balance as at 28 February 2021	**109**	**115,979**	**11,470**	**127,558**

Company	Share capital £'000	Share premium £'000	Profit and loss account £'000	Total £'000
Balance as at 1 March 2019	**70**	**71,966**	**140**	**72,176**
Shares issued in the period	37	41,295	-	41,332
Shares redeemed in the period	(3)	(3,542)	-	(3,545)
Expenses of share issues	-	(221)	-	(221)
Dividends paid	-	-	(75)	(75)
Profit for the year	-	-	5	5
Balance as at 29 February 2020	**104**	**109,498**	**70**	**109,672**
Shares issued in the period	11	13,710	-	13,721
Shares redeemed in the period	(6)	(7,229)	-	(7,235)
Expenses of share issues	-	-	-	-
Dividends paid	-	-	(89)	(89)
Profit for the year	-	-	139	139
Balance as at 28 February 2021	**109**	**115,979**	**120**	**116,208**

Notes to the Consolidated Accounts

FOR THE YEAR ENDED 28 FEBRUARY 2021

1. ACCOUNTING POLICIES

BASIS OF ACCOUNTING

Puma Heritage Limited ("the Company") is a public company limited by shares. It was incorporated and is registered and domiciled in England and Wales. The registered office of the group is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH. 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 forecasts for the period to 30 September 2022 and, after careful consideration, have concluded that they are confident that the Group and the Company will have adequate cash resources to enable it to pay its liabilities as they fall due for at least that period and as a result continue to adopt the going concern basis 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.

DEBTORS

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

CREDITORS

Creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

KEY ACCOUNTING ESTIMATES AND ASSUMPTIONS

The Directors make 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. TRADING BOOK INCOME

	2021	2020
	£'000	£'000
Loan stock interest	9,599	7,512
Other income	21	27
	9,620	7,539

3. ADMINISTRATIVE EXPENSES

Administrative expenses include the following costs:

	2021	2020
	£'000	£'000
Directors' remuneration	121	74
Auditor's remuneration for statutory audit	37	30
Non-audit fees – tax compliance	4	4

The Company had no employees (excluding directors) during the year ended 28 February 2021 (2020: nil). The Group had one employee (excluding directors) during the year ended 28 February 2021 (2020: one).

The Auditor's remuneration of £31,000 (2020: £25,000) has been grossed up in the table above to include irrecoverable VAT.

DIRECTORS' REMUNERATION

The average number of Directors during the year was 3 (2020: 3). Michael Posen and Jim Brydie currently each receive a fee of £50,000 (2020: £50,000) 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 Michael Posen and Jim Brydie each will reduce to £10,000 per annum. Michael van Messel shall continue to receive no fee.

The total remuneration of the Directors who are considered to be key management personnel of the Group was £100,000 (2020: £68,000), which has been grossed up with an element of irrecoverable VAT included in the table above. Total social security costs in respect of key management personnel were £1,000 (2020: £1,000). These are the total emoluments. There is no pension or share option scheme.

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.

PUMA INVESTMENT MANAGEMENT LIMITED

During the year, the Company accrued £610,000 (2020: £481,000) for administration fees and £244,000 (2020: £221,000) commission in respect of share issues and the Company's subsidiary, Heritage Square Limited, accrued £1,379,000 (2020: £1,016,000) for a business support fees, £997,000 (2019: £575,000) for loan monitoring fees and, as disclosed in note 8, £1,526,000 (2020: £1,203,000) were accrued in respect of advisory fees. These fees were all charged by Puma Investment Management Limited, the trading advisor, or its related entities.

Notes to the Consolidated Accounts

FOR THE YEAR ENDED 28 FEBRUARY 2021

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4. TAXATION

	2021	2020
	£'000	£'000
Profit before taxation	4,828	4,005
Tax charge calculated on profit before taxation at the applicable rate of 19% (2019: 19%)	917	761
Expenses not deductible for tax purposes	11	44
Corporation tax charge	928	805

5. DIVIDENDS

The Directors paid an interim dividend in respect of redeemable Income Shares of 3.15p per share in respect of the year ending 28 February 2021 on 09 July 2021 to holders of Income Shares on the register as at 25 June 2020 (2020: 3p per share).

6. INVESTMENT IN SUBSIDIARIES

Company - Cost	£'000
Cost as at 28 February 2021 and 29 February 2020	10

Additional information on subsidiaries

Subsidiary Trading Companies	Country of registration and operation	Activity	Portion of ordinary shares and voting rights held
Heritage Square Limited	England and Wales	Secured loan provider	100%

The registered office of Heritage Square is Highdown House, Yeoman Way, Worthing, West Sussex, United Kingdom, BN99 3HH.

7. DEBTORS

	As at 28 February 2021		As at 29 February 2020	
	Group £'000	Company £'000	Group £'000	Company £'000
Prepayments and accrued income	8,079	12	6,742	114
Other debtors	2,733	-	28	-
Amounts due from subsidiary undertaking	-	119,514	-	112,032
	10,812	119,526	6,770	112,146

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

	As at 28 February 2021		As at 29 February 2020	
	Group £'000	Company £'000	Group £'000	Company £'000
Amounts falling due within one year:				
Accruals	281	68	121	169
Corporation tax	423	-	315	-
Accrued fees to Trading Adviser	3,814	3,569	2,591	2,558
Other creditors	4,451	-	8,930	-
	8,969	3,637	11,957	2,623

The Company has appointed Puma Investment Management Limited to act as Trading Adviser to the Group. During the year, fees of £1,526,000 (2020: £1,203,000) accrued in respect of advisory fees, of which £525,000 (2020: £389,000) were paid. 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 29 February 2021, so the accrued fees are disclosed as due within one year. Included in the accruals balance is £nil (2020: £190,000) due to the Trading Adviser for services provided.

Other creditors of £4,451,000 (2020: £8,930,000) relates to loan repayments received shortly before the year-end, due to other pari passu lenders. These were paid to the other lenders post year-end.

9. SHARE CAPITAL

	2021		2020	
	Number	£'000 Value	Number	£'000 Value
Ordinary shares	2	-	2	-
Growth shares	106,635,349	106	100,953,909	101
Income shares	2,908,311	3	2,913,615	3
	109,543,662	109	103,867,526	104

Nominal value of all shares issued at the year end was 0.1p.

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	Value £'000	Number	Value £'000
As at 28 February 2019	67,876,380	68	2,200,699	2
Issued in the year	36,230,834	36	737,026	1
Redeemed in the year	(3,153,305)	(3)	(24,110)	-
As at 29 February 2020	100,953,909	101	2,913,615	3
Issued in the year	11,711,188	11	267,850	-
Redeemed in the year	(6,029,748)	(6)	(273,154)	-
As at 28 February 2021	106,635,349	106	2,908,311	3

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.

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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.

10. NET ASSET VALUE PER SHARE

	As at 28 February 2021			
	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 28 February 2021	109,543,662	2,908,311	106,635,349	2

	Total £'000	Attributable to Income shares £'000	Attributable to Growth shares £'000	Ordinary shares £'000
Net assets	127,558	2,950	124,608	-
Add back: costs associated with the Plc re-registration incurred and expensed	86			
Adjusted net assets for new subscribers as at 28 February 2021	127,644	2,952	124,692	
Net asset value per share*	116.44p	101.43p	116.85p	-
Adjusted Net asset value per share*	116.52p	101.50p	116.93p	-

* Net Asset Value per Income Share and Adjusted Net Asset Value per Income Share are stated after deduction of cumulative dividends paid to date of 14.15p (2020: 11p).

	As at 29 February 2020			
	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 29 February 2020	103,867,526	2,913,615	100,953,909	2

	Total £'000	Attributable to Income shares £'000	Attributable to Growth shares £'000	Ordinary shares £'000
Net assets	117,261	2,954	114,307	-
Add back: costs associated with Plc re-registration incurred and expensed	83			
Adjusted net assets for new subscribers as at 29 February 2020	117,344	2,956	114,388	
Net asset value per share*	112.89p	101.40p	113.23p	-
Adjusted Net asset value per share*	112.98p	101.47p	113.31p	-

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 were 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 were amortised over 5 years from the Initial Closing Date in order to ensure that they are fairly attributed to initial and subsequent Investors.

During the year ended 29 February 2020, the Company incurred costs in connection with the re-registration from a Public Limited Company to a Private Limited Company. These costs were expensed in the prior year in accordance with accounting rules and they are being amortised over 5 years to ensure that they are fairly attributed to initial and subsequent Investors.

11. CONTINGENCIES, GUARANTEES AND FINANCIAL COMMITMENTS

As at 28 February 2021 the Group has loans committed but undrawn of £96.7 million (2020: £83.6 million).

12. CONTROLLING PARTY

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

13. POST BALANCE SHEET EVENTS

Since the year end, a further 13,000,737 of growth shares have been issued for a consideration of £15,315,579 respectively. During the same period, 4,234,575 growth shares have been redeemed for a consideration of £4,979,407. 127,655 income shares have been redeemed for a consideration of £130,004.

PUMA INVESTMENTS

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