



PUMA HERITAGE  
Calculated Excellence

INTERIM REPORT 2014

## **Officers and Professional Advisers**

### **Directors**

Peter Wisher (Chairman)  
Michael Posen  
Michael van Messel

### **Registered Number**

08285184

### **Registered Office**

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### **Auditor**

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### **Bankers**

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### **Trading Advisor**

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14 Clifford Street  
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### **Registrar**

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## **Highlights**

- Net asset value of £7.2 million as at 31 August 2014; and £8.5 million as at 31 October 2014.
- Adjusted NAV per share of 95.56p as at 31 August 2014; and 96.02p as at 31 October 2014; the increase reflecting that the Company is generating monthly profits.
- 89% of assets committed to loans as at 31 August 2014.
- Pipeline of potential deals remains strong.

## **Chairman's Statement**

### **Introduction**

I am pleased to present the interim report for Puma Heritage plc (the "Company") for the six month period to 31 August 2014.

The Company has continued to make progress since it commenced trading in July 2013. Its initial focus is on secured lending. As at 31 August 2014, the Company had net assets of approximately £7.2 million of which 89% was committed to various loans as described below.

### **Transactions**

Following an initial period of marketing its services, the Group entered into its first transaction in January 2014, comprising the provision of a £1 million initial credit line facility to a company that provides residential part-exchange services. Under this credit line loans are made with the benefit of a first charge over the relevant properties. Up to the end of August the Group had made 46 such loans with an average size of just over £27,000, and of these 10 loans had been repaid. The Board feels strongly that transactions such as this are extremely well-suited to the Group's business strategy, providing a stable return with the benefit of strong asset-backing. The Board was therefore pleased to provide additional financing of £0.55 million to this business in August 2014, assisting it in catering for an increased demand for its services.

The Company has also completed three further loans totalling £1.2 million to three (affiliated) companies that develop supported living accommodation for people with learning disabilities. Since the period end, the Company has completed two further deals with them for a combined value in excess of £0.75 million and is progressing one further deal.

In June 2014, the Company also provided financing of £0.75 million to an established and highly experienced provider of emergency accommodation in Bristol, to offer short notice accommodation for those deemed to be in most need by Bristol Council.

Finally, in August 2014, the Company provided a £3 million facility to a clean technology and waste management business to facilitate the development of a materials recycling facility at an established landfill and aggregates business on a site in Oxfordshire.

I am pleased to report that there continues to be an ongoing strong pipeline of potential lending opportunities which the Board expects the Group to proceed with over the coming months as further monies are raised and initial loans are repaid. The Board will continue to work 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 fully and 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 loss for the period of £71,000 reflects the fact that income was low initially during the period taken to deploy the Company's cash. The reported NAV per share as at 31 August 2014 was 93.90p, and the adjusted NAV was 95.56p. As detailed in the Prospectus, the NAV is adjusted for the purpose of subscriptions and redemptions by amortising over five years the formation and preliminary expenses. This is in order to ensure that they are fairly attributed to initial and subsequent investors (see note 5 to the accounts). However, the accounting rules require the formation and preliminary costs to be expensed in the accounts in the period they were incurred for reporting purposes.

The Company has been showing a profit in recent months and the adjusted NAV per share has risen to 96.02p since the period end.

### **Outlook**

The Board continues to look forward with confidence and is pleased to see that the Company is approaching being fully invested and that as a result the NAV per share of the Company is increasing. Small and medium size businesses continue to find it difficult to access the funding they require from traditional sources of funding (such as banks) and this provides ongoing opportunities for the Company.

**Peter Wisher**  
**Chairman**

14 November 2014

**Consolidated Profit and Loss Account (unaudited)**  
**For the six months ended 31 August 2014**

	<b>Six months ended 31 August 2014</b>	<b>Period from 7 November 2012 to 28 February 2014</b>
	<b>Total £'000</b>	<b>Total £'000</b>
Trading book income	81	5
Admin expenses	(159)	(135)
Operating profit	<u>(78)</u>	<u>(130)</u>
Interest income	7	2
	<u>7</u>	<u>2</u>
Loss on ordinary activities before taxation	(71)	(128)
Tax on return on ordinary activities	-	-
Loss on ordinary activities after tax attributable to equity shareholders	<u><u>(71)</u></u>	<u><u>(128)</u></u>

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 2014

	Note	As at 31 August 2014 £'000	As at 28 February 2014 £'000
<b>Current Assets</b>			
Debtors and prepayments		70	26
Loan book		6,535	-
Cash		1,401	4,713
		<hr/>	<hr/>
		8,006	4,739
<b>Creditors - amounts falling due within one year</b>		(749)	(192)
		<hr/>	<hr/>
<b>Net Current Assets</b>		7,257	4,547
		<hr/>	<hr/>
<b>Creditors - amounts falling due after more than one year (including convertible debt)</b>		(48)	(11)
		<hr/>	<hr/>
<b>Net Assets</b>		7,209	4,536
		<hr/> <hr/>	<hr/> <hr/>
<b>Capital and Reserves</b>			
Share capital	4	8	5
Share premium		7,400	4,659
Revenue reserve		(199)	(128)
		<hr/>	<hr/>
<b>Equity Shareholders' Funds</b>		7,209	4,536
		<hr/> <hr/>	<hr/> <hr/>
<b>Net Asset Value per Growth Share</b>	5	93.90p	94.35p
<b>Net Asset Value per Income Share</b>	5	93.90p	94.35p
<b>Adjusted Net Asset Value per Growth Share</b>	5	95.56p	96.28p
<b>Adjusted Net Asset Value per Income Share</b>	5	95.56p	96.28p

## Consolidated Cash Flow Statement (unaudited)

### For the six months ended 31 August 2014

	Six months ended 31 August 2014 £'000	Period from 7 November 2012 to 28 February 2014 £'000
Loss on ordinary activities before taxation	(78)	(130)
Increase in debtors	(44)	(26)
Increase in creditors	594	203
Increase in loan book	(6,535)	-
<b>Net cash (outflow)/inflow from operating activities</b>	<u>(6,063)</u>	<u>47</u>
<b>Returns on investments and servicing of finance</b>		
Interest received	7	2
	<u>7</u>	<u>2</u>
<b>Net cash (outflow)/inflow before financing</b>	<u>(6,056)</u>	<u>49</u>
Proceeds received from issue of shares	2,814	4,868
Expense paid for issue of shares	(70)	(69)
Proceeds received from issue of redeemable preference shares	-	50
Redemption and cancellation of redeemable preference shares	-	(50)
Repurchase and cancellation of shares	-	(135)
<b>Net cash inflow from financing</b>	<u>2,744</u>	<u>4,664</u>
<b>Net cash (outflow)/inflow after financing</b>	<u>(3,312)</u>	<u>4,713</u>
<b>(Decrease)/increase in cash in the period</b>	<u>(3,312)</u>	<u>4,713</u>
<b>Reconciliation of net cashflow to movement in net funds</b>		
(Decrease)/increase in cash in the period	(3,312)	4,713
Net funds at start of period	4,713	-
Net funds at end of period	<u>1,401</u>	<u>4,713</u>

**Reconciliations in Movement in Shareholders' Funds (unaudited)**  
**For the six months ended 31 August 2014**

<b>Group</b>	<b>Share capital £'000</b>	<b>Share premium £'000</b>	<b>Revenue reserve £'000</b>	<b>Total £'000</b>
Shares issues in the period	5	4,863	-	4,868
Expenses paid for issue shares	-	(69)	-	(69)
Shares repurchased	-	(135)	-	(135)
Retained loss for the period	-	-	(128)	(128)
<b>Balance as at 28 February 2014</b>	<b>5</b>	<b>4,659</b>	<b>(128)</b>	<b>4,536</b>
Shares issues in the period	3	2,811	-	2,814
Expenses paid for issue shares	-	(70)	-	(70)
Retained loss for the period	-	-	(71)	(71)
<b>Balance as at 31 August 2014</b>	<b>8</b>	<b>7,400</b>	<b>(199)</b>	<b>7,209</b>

## **Notes to the Consolidated Accounts**

### **For the six months ended 31 August 2014**

#### **1. Financial information**

##### **Basis of preparation**

The annual financial statements of Puma Heritage plc (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 30 June 2014 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 2014.

#### **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 19 May 2014.

## Notes to the Consolidated Accounts

### For the six months ended 31 August 2014

#### 3. Dividends

The Directors do not propose a dividend in relation to the period ended 31 August 2014.

#### 4. Share Capital and Share Premium

	As at 31 August 2014	
	Number	£'000 Value
Ordinary shares	2	-
Growth shares	5,675,208	6
Income shares	2,002,291	2
	<hr/>	
	7,677,501	8
	<hr/>	

##### 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 2014	3,035,148	3	1,772,512	2
Issued in the period	2,640,060	3	229,779	-
Redeemed in the period	-	-	-	-
As at 31 August 2014	<hr/>		<hr/>	
	5,675,208	6	2,002,291	2
	<hr/>		<hr/>	

The Company was incorporated with two ordinary shares issued fully paid which are held by Shore Capital Limited.

Share issue costs of £69,000 comprise fees payable to Puma Investment Management Limited, the Trading Adviser, who are entitled to payment of an initial charge on subscriptions.

On 15 February 2013, 50,000 Redeemable Preference Shares of £1 each in the Company were allotted and issued to Shore Capital Limited and paid up as to one quarter so as to enable the Company to obtain a certificate under s761 of the Companies Act 2006. The shares were subsequently fully paid up and then redeemed and cancelled in the period.

##### 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.

## **Notes to the Consolidated Accounts**

### **For the six months ended 31 August 2014**

#### **4. Share Capital and Share Premium (continued)**

##### **Redeemable Growth Shares**

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

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

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

##### **Redeemable Income Shares**

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

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

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

## Notes to the Consolidated Accounts

### For the six months ended 31 August 2014

#### 5. Net Asset Value per Share

	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 31 August 2014	7,677,501	2,002,291	5,675,208	2
<b>Net assets (£'000)</b>	<b>7,209,000</b>	<b>1,880,000</b>	<b>5,329,000</b>	-
Add back: formation and preliminary costs incurred and to be expensed over 5 years from the Initial Closing date	152,000			
Less: amortisation of formation and preliminary costs	(24,000)			
<b>Adjusted net assets for new subscribers as at 31 August 2014</b>	<b>7,337,000</b>	<b>1,913,380</b>	<b>5,423,620</b>	
<b>Net asset value per share</b>	<b>93.90p</b>	<b>93.90p</b>	<b>93.90p</b>	-
<b>New Subscriber Net Asset Value per share</b>	<b>95.56p</b>	<b>95.56p</b>	<b>95.56p</b>	-

As detailed in the Prospectus, formation and preliminary expenses (including initial directors, professional, and advisory fees together with related administrative expenses) incurred in the establishment of the Company and in connection with the Offer will be paid by the Company and expensed in its accounts when incurred as required by accounting rules. However, in relation to calculating the 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.

#### 6. Events after the period

- (i) Shares in issue: a further 1,143,273 shares have been issued up to 31 October 2014.
- (ii) Net Asset Value per Share: as at 31 October 2014 the Adjusted NAV per share was 96.02p.

