



PUMA HERITAGE

Calculated Excellence

INTERIM REPORT

For the six months
ended 31 August 2016

Officers and Professional Advisers

DIRECTORS

Peter Wisher (Chairman)
Michael Posen
Michael van Messel

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02 Chairman's Statement

Highlights

- Φ Net Asset Value (NAV) of £23.8 million as at 31 August 2016 (£18.1 million as at 29 February 2016).
- Φ Earning a weighted average income of 8.18% on £20 million loan book as at 31 August 2016.
- Φ Adjusted NAV per Growth share of 100.83p as at 31 August 2016 (99.08p as at 29 February 2016), this reflecting the continued successful deployment of funds and ongoing profitability of the company.
- Φ Dividend of 2 pence per share paid to Income shareholders in the period.
- Φ The pipeline of potential deals remains strong.

INTRODUCTION

I AM PLEASED TO PRESENT TO YOU THE ANNUAL REPORT FOR PUMA HERITAGE PLC (THE "COMPANY" OR "GROUP") FOR THE SIX MONTHS ENDED 31 AUGUST 2016.

THE COMPANY 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 31 AUGUST 2016 THE LOAN BOOK ON WHICH THE GROUP EARNS INTEREST WAS £20 MILLION, OF WHICH £16.7 MILLION HAD BEEN DRAWN (LOANS HAVING BEEN PROVIDED VIA ITS WHOLLY OWNED SUBSIDIARY HERITAGE SQUARE LIMITED (THE "SUBSIDIARY")), AS DESCRIBED BELOW. THE WEIGHTED AVERAGE GROSS INCOME OF THIS LOAN BOOK WAS 8.18%.

In addition to the above loan book, as at 31 August 2016 the Group had offered further loan facilities totalling £9 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 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 period.

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 six-month period to 31 August 2016, 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 £1.5 million loan to fund the development and initial trading of a 68-bed purpose built care home in Egham, Windsor.
- a loan of £200,000 secured against a portfolio of freehold assets and the associated ground rents.
- 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 £1.8m facility with a bridge lending business which has successfully deployed over £50m of customer loans to date.

I am pleased to report that the Board considers there to be a continued 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 capital is utilised as efficiently as possible. At the same time, the Board will continue to undertake a rigorous review of all potential transactions that are under consideration to ensure they fit within the Group's business strategy.

RESULTS

The reported profit for the period was £378,000. The reported NAV per Growth share as at 31 August 2016 was 100.40p, and the adjusted NAV was 100.83p.

The reported NAV per Income share as at 31 August 2016 was 98.39p, and the adjusted NAV was 98.81p, reflecting the 2 pence dividend paid to Income shareholders in the period.

OUTLOOK

Whilst it is too early to assess the full impact the UK referendum result in June will have on our business, we remain excited about the prospects of Puma Heritage plc. We have a strong pipeline of potential lending opportunities that the Board expects the Company to proceed with over the coming months. We continue to find experienced counterparties that have difficulty accessing funding from traditional sources which provides ongoing opportunities for the Company.

Peter Wisher
Chairman
 25 November 2016

04 Consolidated Profit and Loss Account (unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2016

	Note	Six months ended 31 August 2016 £'000	Six months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Trading book income		744	307	788
Admin expenses		(279)	(169)	(401)
Operating profit		465	138	387
Interest income		6	5	12
		6	5	12
Profit on ordinary activities before taxation		471	143	399
Tax on profit on ordinary activities		(93)	(29)	(92)
Profit on ordinary activities after tax attributable to equity shareholders		378	114	307

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)

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AS AT 31 AUGUST 2016

	Note	As at 31 August 2016 £'000	As at 31 August 2015 £'000	As at 29 February 2016 £'000
Current Assets				
Loans due after more than one year		6,253	750	3,513
Loans due within one year		10,487	6,897	4,278
Debtors and prepayments		2,108	262	1,678
Cash		6,539	6,135	9,867
		25,387	14,044	19,336
Creditors - amounts falling due within one year		(1,253)	(146)	(915)
Assets less Current Liabilities		24,134	13,898	18,421
Creditors - amounts falling due after more than one year				
		(383)	(180)	(277)
Net Assets		23,751	13,718	18,144
Capital and Reserves				
Share capital	4	24	14	18
Share premium		23,107	13,632	17,861
Revenue reserve		620	72	265
Equity Shareholders' Funds		23,751	13,718	18,144
Net Asset Value per Growth Share	5	100.40p	97.14p	98.46p
Net Asset Value per Income Share		98.39p	97.14p	98.46p
Adjusted Net Asset Value per Growth Share	5	100.83p	97.90p	99.08p
Adjusted Net Asset Value per Income Share		98.81p	97.90p	99.08p

06 Consolidated Cash Flow Statement

(unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2016

	Six months ended 31 August 2016 £'000	Six months ended 31 August 2015 £'000	Year ended 29 February 2016 £'000
Profit after tax	378	114	307
Tax charge for the year	93	29	92
(Decrease)/Increase in debtors	(436)	46	(763)
Increase/(Decrease) in creditors	351	(2,169)	(1,378)
(Increase)/Decrease in loan book	(8,949)	3,534	2,686
Net cash (outflow)/inflow from operating activities	(8,563)	1,554	944
Returns on investments and servicing of finance			
Interest received	6	5	12
Interest paid	-	(102)	-
	6	(97)	12
Net cash (outflow)/inflow before financing	(8,557)	1,457	956
Proceeds received from issue of ordinary share capital	6,468	3,656	9,497
Expense paid for issue of share capital	(145)	(91)	(225)
Shares redeemed in the period	(1,071)	(585)	(2,059)
Dividends paid to shareholders	(23)	-	-
Net cash inflow from financing	5,229	2,980	7,213
Net cash (outflow)/inflow after financing	(3,328)	4,437	8,169
(Decrease)/Increase in cash in the period	(3,328)	4,437	8,169
Reconciliation of net cashflow to movement in net funds			
(Decrease)/Increase in cash in the period	(3,328)	4,437	8,169
Net funds at start of the period	9,867	1,698	1,698
Net funds at end of the period	6,539	6,135	9,867

Reconciliations in Movement in Shareholders' Funds (unaudited)

FOR THE SIX MONTHS ENDED 31 AUGUST 2016

	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total £'000
Balance as at 1 March 2015	11	10,655	(42)	10,624
Shares issued in the period	4	3,652	-	3,656
Shares redeemed in the period	(1)	(584)	-	(585)
Expenses of share issues	-	(91)	-	(91)
Return after taxation attributable to equity shareholders	-	-	114	114
Balance as at 31 August 2015	14	13,632	72	13,718
Shares issued in the period	5	5,838	-	5,843
Shares redeemed in the period	(1)	(1,475)	-	(1,476)
Expenses of share issues	-	(134)	-	(134)
Return after taxation attributable to equity shareholders	-	-	193	193
Balance as at 29 February 2016	18	17,861	265	18,144
Shares issued in the period	6	6,462	-	6,468
Shares redeemed in the period	(1)	(1,070)	-	(1,071)
Expenses of share issues	-	(145)	-	(145)
Dividends paid	-	-	(23)	(23)
Return after taxation attributable to equity shareholders	-	-	378	378
Balance as at 31 August 2016	24	23,107	620	23,751

08 Notes to the Consolidated Accounts

FOR THE SIX MONTHS ENDED 31 AUGUST 2016

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 31 August 2016 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 29 February 2016.

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 26 May 2016.

3. DIVIDENDS

A dividend of 2 pence per share was paid to Income shareholders during the period. The Directors do not propose a dividend in relation to the period ended 31 August 2016.

4. SHARE CAPITAL AND SHARE PREMIUM

	As at 31 August 2016	
	Number	Value £'000
Ordinary shares	2	-
Growth shares	22,374,172	23
Income shares	1,307,730	1
	23,681,904	24

	As at 31 August 2015	
	Number	Value £'000
Ordinary shares	2	-
Growth shares	11,782,631	12
Income shares	2,338,788	2
	14,121,421	14

	As at 29 February 2016	
	Number	Value £'000
Ordinary shares	2	-
Growth shares	17,354,220	17
Income shares	1,073,123	1
	18,427,345	18

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 29 February 2016	17,354,220	18	1,073,123	1
Issued in the period	6,095,428	6	236,445	-
Redeemed in the period	(1,075,476)	(1)	(1,838)	-
As at 31 August 2016	22,374,172	23	1,307,730	1

10 Notes to the Consolidated Accounts

continued

FOR THE SIX MONTHS ENDED 31 AUGUST 2016

4. SHARE CAPITAL AND SHARE PREMIUM (CONTINUED)

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

Share issue costs of £145,000 comprise fees payable to Puma Investment Management Limited, the Trading Adviser, who is entitled to payment of an initial charge on subscriptions.

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.

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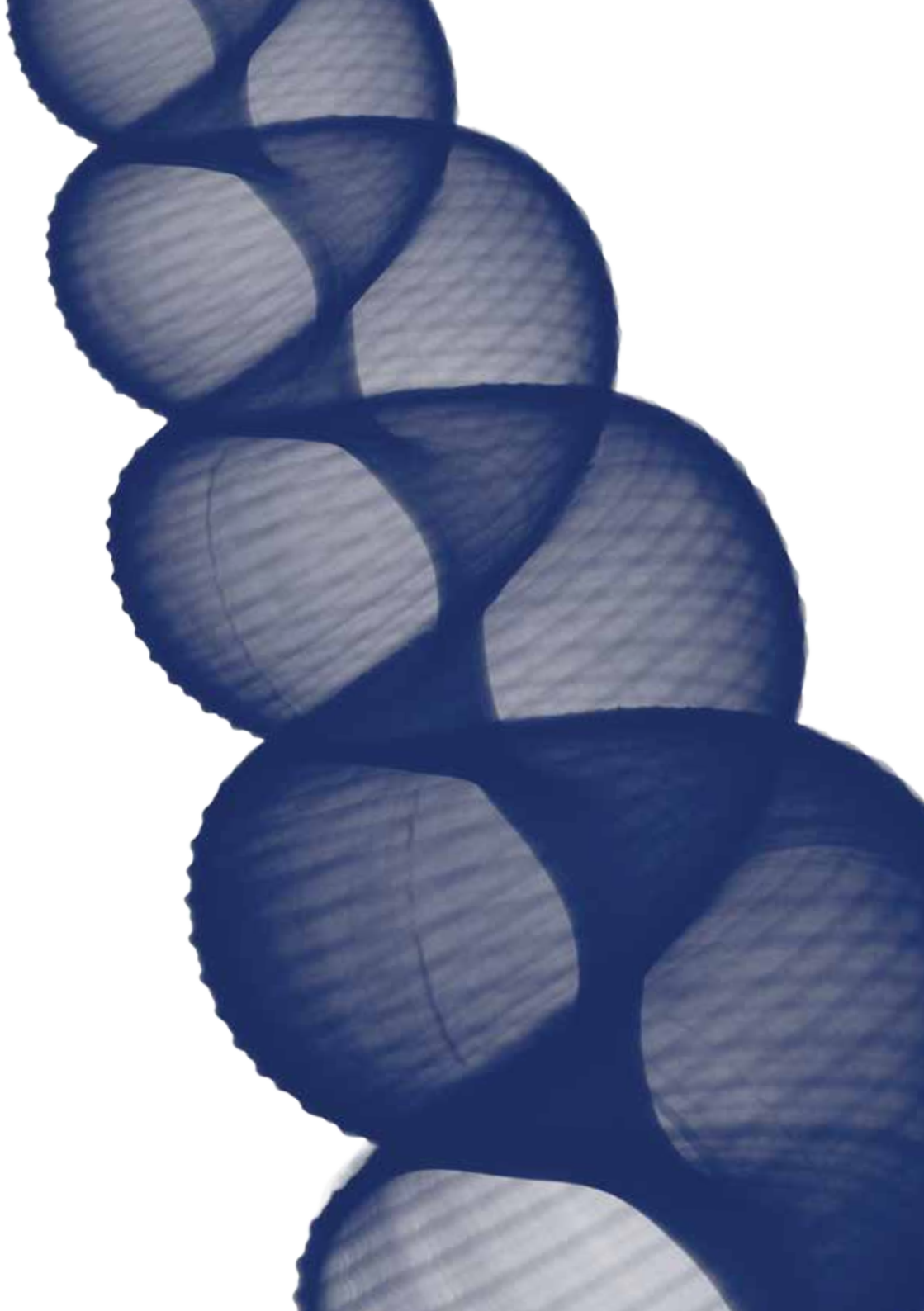
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FOR THE SIX MONTHS ENDED 31 AUGUST 2016

5. NET ASSET VALUE PER SHARE

	Total	Income shares	Growth shares	Ordinary shares
Shares in issue as at 31 August 2016	23,681,904	1,307,730	22,374,172	2
	Total	Attributable to Income shares	Attributable to Growth shares	Attributable to Ordinary shares
Net assets (£'000)	23,751	1,287	22,464	-
Add back: formation and preliminary costs incurred and expensed since inception	183			
Less: amortisation of formation and preliminary costs since inception	(82)			
Adjusted net assets as at 31 August 2016	23,852	1,292	22,560	-
Net asset value per share	100.29p	98.39p	100.40p	-
Adjusted Net Asset Value per share	100.72p	98.81p	100.83p	-

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.





PUMA INVESTMENTS

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