



PUMA HERITAGE  
Calculated Excellence

INTERIM REPORT  
For the six months  
ended 31 August 2018

# Officers and Professional Advisers

## Directors

Michael Posen (Chairman)  
Jim Brydie  
(appointed 3rd November 17)  
Michael van Messel

## Auditor

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

## Registered Number

08285184

## Solicitors

Charles Russell Speechlys LLP  
5 Fleet Place  
London EC4M 7RD

## Registered Office

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St Georges Business Park  
207 Brooklands Road  
Weybridge  
Surrey KT13 0TS

## Bankers

The Royal Bank of Scotland plc  
London City Office  
PO Box 412  
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London EC2R 8LA

## Trading Advisor

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

## Registrar

SLC Registrars  
Elder House  
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207 Brooklands Road  
Weybridge  
Surrey KT13 0TS

## Administrator

PI Administration Services Limited  
Bond Street House  
14 Clifford Street  
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## <sup>2</sup> Highlights

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- Net Asset Value (NAV) of **£59.9 million** as at 31 August 2018 (£51.5 million as at 28 February 2018).
- Adjusted NAV per Growth Share of **108.07p** as at 31 August 2018 (105.95p as at 28 February 2018), this reflecting the continued successful deployment of funds and the ongoing profitability of the company.
- The pipeline of potential deals remains strong.

## Introduction

I am pleased to present the interim report for Puma Heritage plc (the "Company") for the six-month period to 31 August 2018.

The Company has continued to make progress since the year-end. As at 31 August 2018, the Company had net assets of £59.9 million of which more than 90% was committed to various loans as described below.

The Group commenced trading in July 2013 having been established to operate in a range of sectors predominantly in the United Kingdom, with an initial focus on secured lending. As at 31 August 2018 the loan book on which the Group was earning interest was £52.2 million, of which £45.2 million had been drawn (loans having been provided via its wholly owned subsidiary Heritage Square Limited (the "Subsidiary")), as described below. The weighted average income of this loan book was 7.22%.

In addition to the above loan book, as at 31 August 2018 the Group had offered further loan facilities totalling £19.7 million to fund future cashflow requirements of projects already backed by the Group, such facilities being non-interest earning until drawn. The cash in the Group 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 2018, I am pleased to report that we have completed a number of new loans, all with the benefit of first charge security, to a mix of borrowers. In summary, the focus of the business has continued to be on loans underpinned by real estate and some of the highlights include the following:

- a loan of £4.6m to fund the acquisition and refurbishment of a residential property in an exclusive area of Surrey.
- a £2.2m facility to fund the development of a Supported Living scheme comprising 14 apartments in Nottinghamshire.
- a £1.4m facility to fund the development of a Supported Living scheme comprising 9 apartments in North East England.

In relation to the loan to a Materials Recycling Facility ("MRF") operator, as previously reported the company operating the MRF suffered a substantial fire at the premises on 28 February 2017. As first charge holders, the Group appointed an administrator over the business in early March 2017. Through an insurance claim and the sale of the site, the administrator has successfully recovered a substantial proportion of the £750,000 loan advanced by Heritage Square Limited. The administrator continues to pursue a number of avenues for further recovery. The Board has made a provision of 5% of the book cost of the debt (being £37,500) in recognition of the uncertainty of the success of these endeavours. The Board will continue to monitor the situation closely in collaboration with the Trading Adviser.

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

## Results

The reported profit for the period was £1,147,000. The reported NAV per Growth Share as at 31 August 2018 was 108.05p, and the Adjusted NAV was 108.07. The reported NAV per Income Share as at 31 August 2018 was 99.74, and the Adjusted NAV was 99.75p (excluding 8p of dividends paid on Income Shares since inception).

Accounting rules require formation and preliminary costs be recognised in the period in which they are incurred. However, as detailed in the Prospectus, the NAV is adjusted for subscriptions and redemptions by amortising these costs over five years. This ensures fair attribution of formation and preliminary costs to initial and subsequent investors (see Note 5 to the Accounts).

The Company's continued profitability represents an increase in Adjusted NAV per Growth Share of 2.16p in the six-months to 31 August 2018.

## Outlook

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

**Michael Posen**

Chairman

25 October 2018

# 4 Consolidated Profit and Loss Account

## For the six months ended 31 August 2018 (unaudited)

Note	Six months ended 31 August 2018 Total £'000	Six months ended 31 August 2017 Total £'000	Year ended 28 February 2018 Total £'000
Trading book income	<b>1,951</b>	<b>1,174</b>	<b>2,720</b>
Other income	<b>38</b>	<b>–</b>	<b>–</b>
Administrative expenses	<b>(616)</b>	<b>(411)</b>	<b>(969)</b>
Operating profit	<b>1,373</b>	<b>763</b>	<b>1,751</b>
Interest income	<b>12</b>	<b>1</b>	<b>8</b>
	<b>12</b>	<b>1</b>	<b>8</b>
Return on ordinary activities before taxation	<b>1,385</b>	<b>764</b>	<b>1,759</b>
Tax on return on ordinary activities	<b>(238)</b>	<b>(149)</b>	<b>(340)</b>
Return on ordinary activities after tax attributable to equity shareholders	<b>1,147</b>	<b>615</b>	<b>1,419</b>

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

As at 31 August 2018 (unaudited)

	Note	As at 31 August 2018 £'000	As at 31 August 2017 £'000	As at 28 February 2018 £'000
<b>Assets</b>				
Loans due after more than one year		14,294	15,193	10,134
Loans due within one year		27,959	8,212	28,862
Debtors and prepayments		1,968	3,012	2,172
Cash		18,466	28,943	12,372
		<b>62,687</b>	<b>55,360</b>	<b>53,540</b>
<b>Creditors – amounts falling due within one year</b>				
		<b>(2,755)</b>	<b>(12,515)</b>	<b>(2,078)</b>
<b>Assets less Current Liabilities</b>				
		<b>59,932</b>	<b>42,845</b>	<b>51,462</b>
<b>Creditors – amounts falling due after more than one year</b>				
		<b>–</b>	<b>(761)</b>	<b>–</b>
<b>Net Assets</b>				
		<b>59,932</b>	<b>42,084</b>	<b>51,462</b>
<b>Capital and Reserves</b>				
Share capital	4	56	41	49
Share premium		56,296	40,365	48,931
Revenue reserve		3,580	1,678	2,482
<b>Equity Shareholders' Funds</b>				
		<b>59,932</b>	<b>42,084</b>	<b>51,462</b>
<b>Net Asset Value per Growth Share</b>				
	5	<b>108.05p</b>	<b>104.05p</b>	<b>105.84p</b>
<b>Net Asset Value per Income Share</b>				
		<b>99.74p</b>	<b>98.96p</b>	<b>100.69p</b>
<b>Adjusted Net Asset Value per Growth Share</b>				
	5	<b>108.07p</b>	<b>104.20p</b>	<b>105.91p</b>
<b>Adjusted Net Asset Value per Income Share</b>				
		<b>99.75p</b>	<b>99.10p</b>	<b>100.75p</b>

# 6 Consolidated Cash Flow Statement

For the six months ended 31 August 2018 (unaudited)

	Six months ended 31 August 2018 £'000	Six months ended 31 August 2017 £'000	Year ended 28 February 2018 £'000
<b>Operating activities</b>			
Profit after tax	1,147	615	1,419
Tax charge for the year	238	149	340
Decrease / (Increase) in debtors	192	(1,892)	(1,059)
Increase / (Decrease) in creditors	439	11,911	522
(Increase) / Decrease in loan book	(3,257)	1,808	(13,783)
<b>Net cash (outflow)/inflow from operating activities</b>	<b>(1,241)</b>	<b>12,591</b>	<b>(12,561)</b>
<b>Investing activities</b>			
Interest received	12	1	8
Interest paid	–	–	–
	12	1	8
<b>Net cash (outflow)/inflow before financing</b>	<b>(1,229)</b>	<b>12,592</b>	<b>(12,553)</b>
<b>Financing activities</b>			
Proceeds received from issue of ordinary share capital	9,989	10,562	20,510
Expenses paid for issue of share capital	(158)	(181)	(373)
Shares redeemed in the period	(2,459)	(605)	(1,786)
Dividends paid to shareholders	(48)	(41)	(41)
<b>Net cash inflow from financing</b>	<b>7,323</b>	<b>9,736</b>	<b>18,310</b>
<b>Net cash inflow after financing</b>	<b>6,094</b>	<b>22,328</b>	<b>5,757</b>
<b>Increase/(Decrease) in cash in the period</b>	<b>6,094</b>	<b>22,328</b>	<b>(16,571)</b>
<b>Reconciliation of net cashflow to movement in net funds</b>			
Increase/(Decrease) in cash in the period	6,094	22,328	(16,571)
Net funds at start of the period	12,372	6,615	28,943
<b>Net funds at end of the period</b>	<b>18,466</b>	<b>28,943</b>	<b>12,372</b>

# Statement of Changes in Equity

For the six months ended 31 August 2018 (unaudited)

Group	Share capital £'000	Share premium £'000	Revenue reserve £'000	Total £'000
Balance as at 1 March 2017	31	30,598	1,104	31,733
Shares issued in the period	10	10,552	–	10,562
Shares redeemed in the period	(1)	(604)	–	(605)
Expenses of share issues	–	(181)	–	(181)
Dividends paid	–	–	(41)	(41)
Return after taxation attributable to equity shareholders	–	–	615	615
<b>Balance as at 31 August 2017</b>	<b>41</b>	<b>40,365</b>	<b>1,678</b>	<b>42,084</b>
Shares issued in the period	10	9,938	–	9,948
Shares redeemed in the period	(2)	(1,180)	–	(1,182)
Expenses of share issues	–	(192)	–	(192)
Return after taxation attributable to equity shareholders	–	–	804	804
<b>Balance as at 28 February 2018</b>	<b>49</b>	<b>48,931</b>	<b>2,482</b>	<b>51,462</b>
Shares issued in the period	9	9,979	–	9,989
Shares redeemed in the period	(2)	(2,457)	–	(2,459)
Expenses of share issues	–	(158)	–	(158)
Dividends paid	–	–	(48)	(48)
Return after taxation attributable to equity shareholders	–	–	1,147	1,147
<b>Balance as at 31 August 2018</b>	<b>56</b>	<b>56,296</b>	<b>3,580</b>	<b>59,932</b>

# 8 Notes to the Consolidated Accounts

## For the six months ended 31 August 2018

### 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 2018 have 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 page 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 2018.

### 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 29 May 2018.

### 3. Dividends

The Directors do not propose a dividend in relation to the period ended 31 August 2018.

### 4. Share Capital and Share Premium

	As at 31 August 2018	
	Number	Value £'000
Ordinary Shares	2	–
Growth Shares	53,781,138	54
Income Shares	1,825,582	2
	<b>55,606,722</b>	<b>56</b>

	As at 31 August 2017	
	Number	Value £'000
Ordinary Shares	2	–
Growth Shares	39,012,586	39
Income Shares	1,506,799	1
	<b>40,519,387</b>	<b>41</b>

	As at 28 February 2018	
	Number	Value £'000
Ordinary Shares	2	–
Growth Shares	47,039,942	48
Income Shares	1,663,575	1
	<b>48,703,519</b>	<b>49</b>

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

### 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 2018	47,039,942	48	1,663,575	1
Issued in the period	8,990,696	10	214,042	–
Redeemed in the period	(2,249,500)	(2)	(52,035)	–
<b>As at 31 August 2018</b>	<b>53,781,138</b>	<b>56</b>	<b>1,825,582</b>	<b>1</b>

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

Share issue costs of £158,000 comprise fees payable to Puma Investment Management Limited, the Trading Adviser, who are 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.

# Notes to the Consolidated Accounts

continued

For the six months ended 31 August 2018

## 5. Net Asset Value per Share

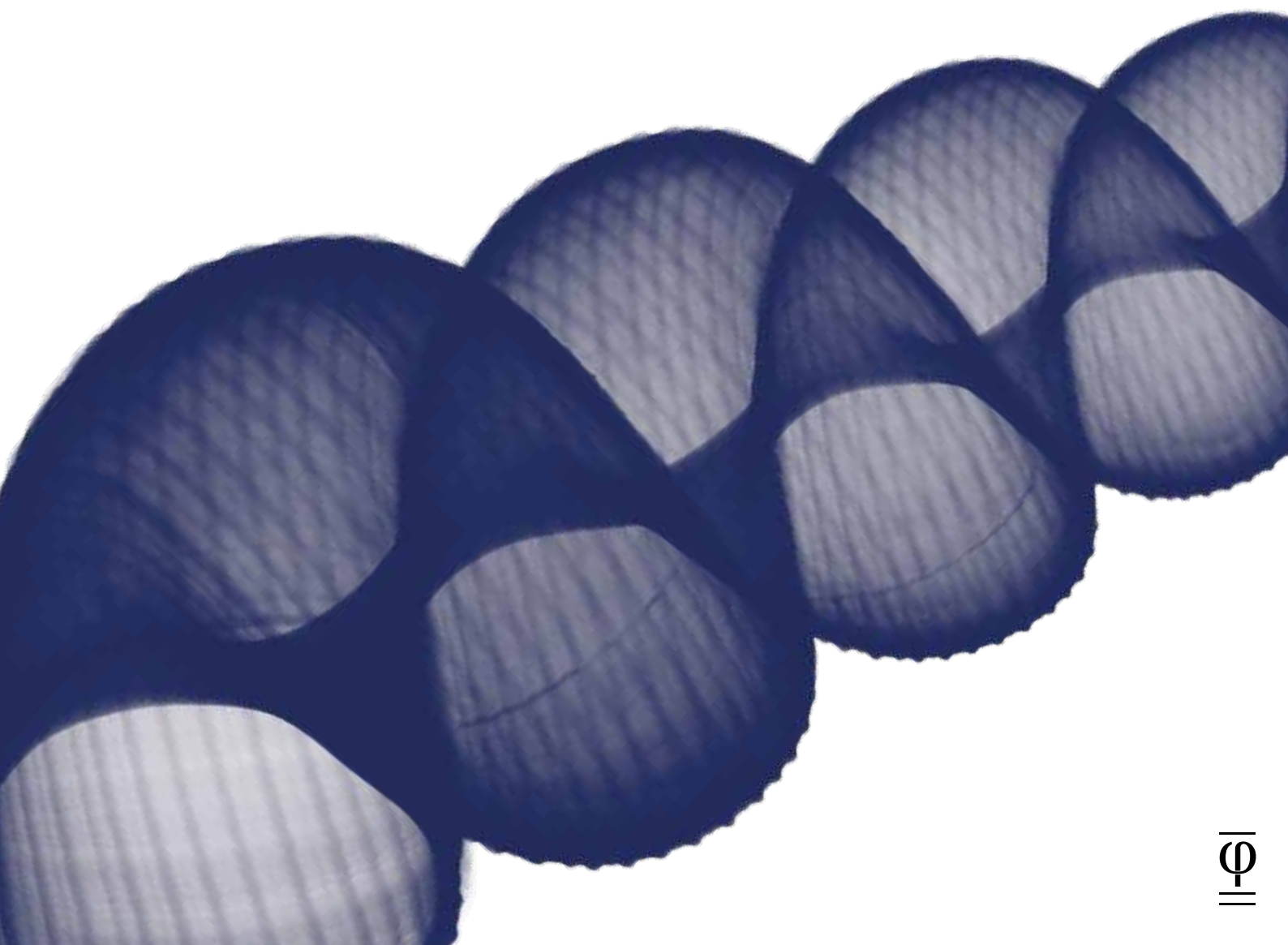
	Total	Income Shares	Growth Shares	Ordinary Shares
Shares in issue as at 31 August 2018	55,606,722	1,825,582	53,781,138	2
	Total	Attributable to Income Shares	Attributable to Growth Shares	Attributable to Ordinary Shares
<b>Net assets (£)</b>	<b>59,932,000</b>	<b>1,820,765</b>	<b>58,111,235</b>	<b>–</b>
Add back: formation and preliminary costs incurred and expensed over 5 years	148,305			
Less: amortisation of formation and preliminary costs	(140,085)			
<b>Adjusted net assets for new subscribers as at 31 August 2018</b>	<b>59,940,220</b>	<b>1,821,015</b>	<b>58,119,205</b>	
<b>Net Asset Value per share*</b>		<b>99.74p</b>	<b>108.05p</b>	<b>–</b>
<b>Adjusted Net Asset Value per share*</b>		<b>99.75p</b>	<b>108.07p</b>	<b>–</b>

\* Net Asset Value per Income Share and Adjusted Net Asset Value per Income Share are stated after deduction of cumulative dividends paid per Income Share of 8p.

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 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.

## 6. Events after the period

- Shares in issue: a further 4,812,735 Growth Shares and 222,068 Income Shares have been issued up to 25 October 2018. An additional 309,506 Growth Shares and 185,083 Income Shares were redeemed in the period.
- Net Asset Value per share: as at 30 September 2018, the Adjusted NAV per share was 108.27p for Growth Shares and 99.88p for Income Shares.





PUMA INVESTMENTS

**Promoter**

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