



SHORE CAPITAL



PUMA VCT V PLC

INTERIM REPORT 2010

For the six months ended 30 June 2010

Contents

Chairman's Statement	1 – 2
Income Statement	3
Balance Sheet	4
Cash Flow Statement	5
Reconciliation of Movement in Shareholders' Funds	6
Notes to the Interim Report	7 – 8
Officers and Professionals	Inside Back Cover

Chairman's Statement

Highlights

- Top performing VCT of its peer group
- Undiluted net asset value per share of 102.0p
- Fully diluted net asset value of 101.2p

Introduction

During the six months to 30 June 2010, the Company has continued to follow the cautious approach which protected the Company from the general market downturn in 2008/2009 whilst seeking to take advantage of opportunities presented as the markets begin to show signs of recovery. We believe that the Company is well positioned to exploit the opportunities which we expect will continue to emerge as a result of tight credit markets.

Qualifying investments

During the period, the Company successfully realised its £250,000 investment in Bond Contracting Limited, which held a master development contract to construct a 141 bed hotel on the outskirts of Winchester, generating the return which had been expected on investment. Forward Internet Group Limited (formerly TrafficBroker Limited) ("Forward"), a London based internet search engine specialist in which the Company invested £1 million, continues to perform well. The investment manager has continued to review a number of suitable qualifying investments and expects to make further qualifying investments in

the second half of the year to ensure the Company is on course to meet its HMRC qualifying target.

Non-qualifying investments

The Company has invested approximately £3.4 million to date into a range of bonds, bond funds and absolute return funds, having invested approximately £825,000 into such products during the period. It is expected that these assets will generate good returns and continue to prevent the effect of cash drag on the Company.

Net Asset Value ('NAV')

The net asset value remains significantly above the other VCTs in the Company's peer group, despite the difficult economic conditions into which the Company was launched. During the period, the Company's net asset value fell by 0.6% (adding back the 2009 final dividend of 1p paid on 30 June 2010) to 102.0p. The diluted net asset value fell by 0.5% to 101.2p, after accruing for potential performance fees.

Dividends

As set-out in the accounts for the period ended 31 December 2009, a dividend of

Chairman's Statement continued

1p per ordinary share was declared during the period and paid on 30 June 2010. Your Board is not proposing a dividend in relation to this interim period but reiterates the intention to distribute a large element of the available income and, if appropriate, realise capital gains when possible.

VCT Qualifying Status

PricewaterhouseCoopers LLP ('PwC') provides the board and the investment manager with advice on the ongoing compliance with Her Majesty's Revenue & Customs ('HMRC') rules and regulations concerning VCTs. PwC assists the Investment Manager in establishing the status of investments as qualifying holdings and has reported that the Company has met all HMRC's criteria to date.

Principal risks and uncertainties

Continuing uncertainty whilst the UK slowly comes out of recession has meant that markets remain turbulent. The consequences of this for the Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of 2010.

Outlook

During the period, the Investment Manager has met a number of companies which are potentially suitable for investment. There is a good flow of opportunities which may lead to suitable investments. We will update you in due course as investments are completed. The restrictions on availability of bank credit continue to affect the terms on which target companies can raise finance. This should both increase the demand for our offering and improve the terms we can secure when we offer finance. There are many suitable companies which are well-managed, in good market positions, can offer security and need our finance. We therefore believe the Company is strongly positioned to assemble a portfolio to deliver attractive returns to shareholders in the medium to long term.

David Vaughan
Chairman

27 August 2010

Income Statement (unaudited)

For the six months ended 30 June 2010

	Note	Six months ended 30 June 2010			Six months ended 30 June 2009			Year ended 31 December 2009		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gains on investments		–	(7)	(7)	–	232	232	–	447	447
Income		90	–	90	59	–	59	242	–	242
		90	(7)	83	59	232	291	242	447	689
Investment management fees	4	21	62	83	19	56	75	37	110	147
Performance fees		4	(13)	(9)	–	19	19	17	52	69
Other expenses		46	–	46	43	–	43	106	–	106
		71	49	120	62	75	137	160	162	322
Return/(loss) on ordinary activities before taxation		19	(56)	(37)	(3)	157	154	82	285	367
Tax on return on ordinary activities		(5)	5	–	–	–	–	2	–	2
Return/(loss) on ordinary activities after tax attributable to equity shareholders		14	(51)	(37)	(3)	157	154	84	285	369
Basic and diluted Return/(loss) per Ordinary Share (pence)	2	0.18p (0.68)p (0.50)p			(0.04)p	2.10p	2.06p	1.12p	3.82p	4.94p

The revenue column of this statement is the profit and loss of the Company. All revenue and capital items in the above statement derive from continuing operations. No operations were acquired or discontinued in the period.

Balance Sheet (unaudited)

As at 30 June 2010

	Note	As at 30 June 2010 £'000	As at 30 June 2009 £'000	As at 31 December 2009 £'000
Fixed Assets				
Investments	7	4,658	2,845	4,516
Current Assets				
Debtors		26	265	122
Cash		2,996	4,401	3,174
		3,022	4,666	3,296
Creditors - amounts falling due within one year		(59)	(34)	(69)
Net Current Assets		2,963	4,632	3,227
Total Assets less Current Liabilities		7,621	7,477	7,743
Creditors – amounts falling due after more than one year (including convertible debt)		(1)	(1)	(1)
Net Assets		7,620	7,476	7,742
Capital and Reserves				
Called up share capital		75	75	75
Share premium account		–	7,249	–
Capital reserve – realised		(252)	(47)	(150)
Capital reserve – unrealised		415	132	364
Other reserve		59	19	69
Revenue reserve		7,323	48	7,384
Equity Shareholders' Funds		7,620	7,476	7,742
Net Asset Value per Ordinary Share	3	101.97p	100.04p	103.60p
Diluted Net Asset Value per Ordinary Share	3	101.18p	99.83p	102.68p

Cash Flow Statement (unaudited)

As at 30 June 2010

	Six months ended 30 June 2010 £'000	Six months ended 30 June 2009 £'000	Year ended 31 December 2009 £'000
Operating activities			
Investment income received	194	95	161
Dividend income received	–	–	11
Investment management fees paid	(85)	(108)	(150)
Cash paid to directors	(19)	(17)	(36)
Foreign exchange gain on cash	4	–	–
Other cash payments	(28)	(51)	(73)
Net cash inflow/(outflow) from operating activities	66	(81)	(87)
Corporation tax paid	–	–	(15)
Capital expenditure and financial investment			
Redemption of redeemable preference shares	–	(13)	–
Purchase of investments	(825)	(3,376)	(5,293)
Proceeds from sale of investments	698	513	1,239
Net realised loss on forward foreign exchange contracts	(38)	–	–
Transaction costs	(4)	–	(15)
Net cash outflow from capital expenditure and financial investment	(169)	(2,876)	(4,069)
Equity dividend paid	(75)	(75)	(75)
Financing			
Redemption of redeemable preference shares	–	–	(13)
Net cash outflow from financing	–	–	(13)
Decrease in cash	(178)	(3,032)	(4,259)
Reconciliation of net cash flow to movement in net funds			
Decrease in cash for the period	(178)	(3,032)	(4,259)
Net cash at start of the period	3,174	7,433	7,433
Net funds at the period end	2,996	4,401	3,174

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 30 June 2010

	Called up share capital £'000	Share premium account £'00	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
Six months ended 30 June 2010							
Balance at 1 January 2010	75	–	(150)	364	69	7,384	7,742
Total recognised (losses)/gains for the period	–	–	(102)	51	(10)	14	(47)
Dividends paid	–	–	–	–	–	(75)	(75)
Balance at 30 June 2010	75	–	(252)	415	59	7,323	7,620
Six months ended 30 June 2009							
Balance at 1 January 2009	75	7,249	(71)	–	–	126	7,379
Total recognised (losses)/gains for the period	–	–	24	132	19	(3)	172
Dividends paid	–	–	–	–	–	(75)	(75)
Balance at 30 June 2009	75	7,249	(47)	132	19	48	7,476
For the Year ended 31 December 2009							
Balance at 1 January 2009	75	7,249	(71)	–	–	126	7,379
Capital reconstruction	–	(7,249)	–	–	–	7,249	–
Total recognised (losses)/gains for the period	–	–	(79)	364	69	84	438
Dividend paid	–	–	–	–	–	(75)	(75)
Balance at 31 December 2009	75	–	(150)	364	69	7,384	7,742

Notes to the Interim Report

For the six months ended 30 June 2010

1. Accounting Policies

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP").

2. Return per Ordinary Share

The total loss per share of 0.50p (30 June 2009 – return per share of 2.06p) is based on the loss for the period of £37,000 (30 June 2009 – return of £154,000) and the weighted average number of shares in issue as at 30 June 2010 of 7,472,812 (30 June 2009 – 7,472,812).

3. Net asset value per share

Period	Net assets	Shares in issue	Net Asset Value per share	
			Basic	Diluted
30 June 2010	£7,620,000	7,472,812	101.97p	101.18p
31 December 2009	£7,742,000	7,472,812	103.60p	102.68p
30 June 2009	£7,476,000	7,472,812	100.04p	99.83p

4. Management fees

The Company pays the Investment Manager an annual management fee of 2% of the Company's net assets. The fee is payable quarterly in arrears. The annual management fee is allocated 75% to capital and 25% to revenue.

5. Related Party Transactions

Related party transactions are described the 2009 Annual Report and Accounts on page 35. There were no other related party transactions during the six months ended 30 June 2010.

6. The financial information for the six months ended 30 June 2010 and 30 June 2009 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The financial information for the Year ended 31 December 2009 has been extracted from the company's full financial statements for the period then ended that have been delivered to the Registrar of Companies, and on which the report of the Auditors was unqualified. The interim financial statements have been prepared on the same basis as the annual financial statements.

Notes to the Interim Report continued

For the six months ended 30 June 2010

7. Investment portfolio summary

As at 30 June 2010	Valuation £'000	Cost £'000	Gain/ (loss)	Valuation as a % of Net Assets
Qualifying investment - unquoted				
Forward Internet Group Limited (formerly Traffic Broker Limited)	800	800	–	10%
Total qualifying investments	800	800	–	10%
Non-qualifying investments				
Anglo American Capital PLC bond	237	237	–	3%
Artemis Strategic Bond Fund	328	251	77	4%
Blackrock UK Emerging Cos Hedge Fund Limited	306	290	16	4%
BluBay Macro Fund Limited	156	150	6	2%
Brevan Howard Macro Limited	317	249	68	4%
Cazenove Strategic Bond Fund	598	501	97	8%
Glaxosmithkline PLC	171	152	19	2%
GLG Emerging Markets UCITS III plc	201	200	1	3%
HBOS Capital Funding LP Bond	138	109	29	2%
Jupiter Strategic Bond	343	251	92	5%
Man Group Bond	111	104	7	1%
Puma Absolute Return Fund Limited	706	700	6	9%
RBS 7.375% Perpetual Bond	74	81	(7)	1%
Vodafone Group PLC	172	151	21	3%
Total non-qualifying investments	3,858	3,426	432	51%
Total investments	4,658	4,226	432	61%
Balance of portfolio	2,962	2,962		39%
Net Assets	7,620	7,188	432	100%

Officers and Professional Advisers

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