



PUMA VCT ¹¹
Calculated Excellence

INTERIM REPORT

For the period ended
31 August 2017

Officers and Professional Advisers

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02 Chairman's Statement

Highlights

- φ Funds fully invested in a diverse range of high quality businesses and projects
- φ Requirement that qualifying investments are 70% of the fund on an HMRC basis now met
- φ NAV per share up 0.59p in the half year to 98.25p (adding back dividends paid to date)
- φ 3p per share dividend paid during the period

INTRODUCTION

I AM PLEASED TO PRESENT THE INTERIM REPORT FOR PUMA VCT 11 PLC (THE 'COMPANY') FOR THE PERIOD TO 31 AUGUST 2017. THE COMPANY HAS NOW EFFECTIVELY DEPLOYED ALL ITS FUNDS IN BOTH QUALIFYING AND NON-QUALIFYING INVESTMENTS, AND MET AND EXCEEDED ITS MINIMUM QUALIFYING INVESTMENT PERCENTAGE OF 70 PER CENT. OUR PORTFOLIO IS WELL POSITIONED TO DELIVER ATTRACTIVE RETURNS TO SHAREHOLDERS WITHIN ITS EXPECTED REMAINING TIME HORIZON.

NET ASSET VALUE ('NAV')

The NAV per share at the period end was 98.25p, comprising profits after tax for the period of £180,000 and representing a return of 0.59p per ordinary share. The Company's total net assets at the period end were just over £29 million.

QUALIFYING INVESTMENTS

Growing Fingers – Children's Nursery

As reported in the Company's previous annual report, the Company had made a £686,000 qualifying investment (as part of a £2.8 million investment alongside other Puma VCTs) in Growing Fingers Limited, and a further £294,000 was invested during the period. The investment is funding the construction and launch of a new purpose-built 108 place nursery school in Wendover, Buckinghamshire, an affluent commuter town with direct links to London. Growing Fingers is a new venture headed by a management team with many years' operational experience in nurseries and

healthcare facilities. The Company benefits from first charge security over the Wendover site and the Growing Fingers business.

Mini Rainbows – Children’s Nursery

As previously reported, the Company invested £2.5 million in Mini Rainbows Limited (as part of a £5 million investment alongside other Puma VCTs), which was established to operate a trading business in the childcare sector and/or to acquire businesses which operate within that sector. We are pleased to report that, shortly after the period end, Mini Rainbows commenced its trade by acquiring a mature children’s day nursery in Murrayfield, an affluent part of Edinburgh. The nursery was founded in 1995, has capacity for up to 90 children and is currently operating at 70% capacity so the Mini Rainbows’ experienced management team anticipate improvement in the medium term.

Welcome Health – Chain of Pharmacies

The Company had previously invested £2.5 million (as part of a £5 million investment alongside other Puma VCTs) in Welcome Health Limited. We are pleased to report that, during the period, Welcome Health Limited commenced its trade, acquiring a series of mature pharmacies across the North East of England. The entrepreneur behind Welcome Health has experience in this geography and is focused on providing pharmaceutical services to a currently underserved and low socioeconomic market. As at the date of this report, Welcome Health owns and operates five pharmacies and expects to acquire further units in the new year.

Warm Hearth – Pubs with Microbreweries

In late 2015, the Company invested £2.5 million (as part of a £5 million investment alongside other Puma VCTs) in Warm Hearth Limited, a

pub business seeking to capitalise on the strong growth trends within the craft beer sub-market. As previously reported, Warm Hearth entered into a franchise agreement with Brewhouse & Kitchen Limited (“B&K”), a strong and fast-growing national branded operator, offering craft micro-brewing activities within each of its pub units as a point of focus. Warm Hearth acquired three substantial freehold pub assets in Chester, Wilmslow and Bedford, all of which opened during 2016 and are trading as fully branded B&K units. The units are taking some time to establish themselves under the new brand and this issue is the priority for the management team.

The Company has completed seven new qualifying investments since the period end, details of which are as follows.

Signal Building Services – Construction Projects

In September 2017, the Company invested just under £1 million (as part of a total investment round of £2 million) into Signal Building Services Limited, a recently established business specialising in delivering turnkey solutions to construction projects. The management team have over 40 years’ of combined experience in the construction sector and we understand that they are in advanced negotiations to commence their first project.

Applebarn Nurseries – Children’s Nursery

In October 2017, the Company invested £1.1 million in Applebarn Nurseries Limited (as part of a £2.2 million qualifying investment alongside another Puma VCT) which is developing and will operate a new 120 place children’s day nursery in Altrincham, South Manchester. The management team behind Applebarn include Stewart Pickering (the

04 Chairman's Statement continued

founder of Kidsunlimited which he built up to 50 nurseries before a successful exit) and experienced developer and contractor, the McGoff Group. The nursery is expected to open in the third quarter of 2018.

Kid and Play – Children's Nursery

The Company made a £1.7 million qualifying investment in Kid and Play Limited, alongside funds invested by another Puma VCT totalling £3.4 million, in October 2017. Kid and Play is seeking to develop, own and operate a new children's day nursery and has identified a first site in Bromley, South London.

South West Cliffe – Children's Nursery

In October 2017, the Company invested £2.1 million (as part of a £4.2 million qualifying investment alongside another Puma VCT) in South West Cliffe Limited, supporting an experienced management team to roll out a portfolio of purpose-built day nurseries.

Knott End – Pubs with Microbreweries

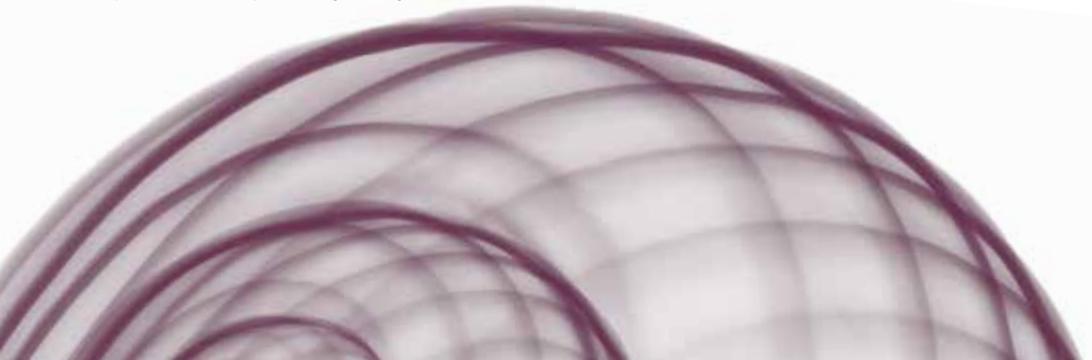
The Company invested £2.4 million (as part of a £4.8 million qualifying investment alongside another Puma VCT) in Knott End Pub Company Limited which has entered into a franchise agreement with Brewhouse & Kitchen Limited to roll out a portfolio of pubs offering on-site craft micro-brewing activities and good quality food. The management team at Knott End have already identified several possible locations for their first unit and expect to open their first pub early next year.

Sunlight Educational Nucleus – Special Educational Needs Schools

In November, the Company made a £1.35 million qualifying investment (as part of a £4.7 million investment alongside other Puma VCTs) in Sunlight Educational Nucleus Limited, a company seeking to develop, own and operate a series of special education needs schools across the United Kingdom.

Pure Cremation – Crematorium and Direct Cremations

In November, the Company invested £2 million in Pure Cremation Holdings Limited (as part of a £5 million qualifying investment alongside another Puma VCT). Pure Cremation is a leading provider of so-called direct cremations, meeting the needs of a growing number of people in the United Kingdom who want a respectful direct cremation arranged without any funeral, leaving them free to say farewell how, where and when is right for them. The Pure Cremation team have many years' experience in the funeral services sector and have secured an option over a site near Andover on which they will seek to develop a new crematorium and central facility.



NON-QUALIFYING INVESTMENTS

As previously reported, the Company had initially invested just over £20 million in a series of lending businesses offering an appropriate risk adjusted return in the short to medium term. It was intended that these positions would be liquidated in due course as the Company makes qualifying investments. Details of loans these lending businesses have made, many of which were repaid in full during the period, are set out below.

Residential Development Project, Beckenham

The loan of £3 million (together with loans from other vehicles managed and advised by your Investment Manager totalling £5.3 million) advanced to Northern Land Developments Limited continues to perform. The loans facilitated the acquisition of two large residential houses in Beckenham, Kent, funded planning costs to replace these two units with seven town houses and are now funding planning costs to develop a larger scheme on an adjacent larger parcel of land. The loans are secured with a first charge over both sites. During the period, it was agreed that all accrued interest would be repaid and that the loans be extended for a further 12 months.

Citrus Group

As previously reported, a series of loans had been advanced to various entities within the Citrus Group, which at the start of the period stood at £1.4 million. These loans, together with loans from other vehicles managed and advised by your Investment Manager, formed part of a series of revolving credit facilities to provide working capital to the Citrus PX business. Citrus PX operates a property part exchange service facilitating the rapid purchase of properties for developers and homeowners. During the period and shortly

after the period end, the loans were repaid in full giving a good rate of return.

Portfolio of Freehold Ground Rent Interests

In June 2016, an £800,000 loan was advanced and secured against a portfolio of freehold assets and the associated ground rents, as part of a package from other vehicles managed and advised by the Investment Manager totalling £4.3 million. We are pleased to report that, during the period, the loan was repaid in full giving a good rate of return.

Care Home for the Elderly, Formby

During the period, a £800,000 loan (as part of an overall facility of £6.7 million) was agreed with New Care (Sefton) Limited to fund the development and initial trading of a 75-bed purpose-built care home in Formby, Merseyside. The New Care Group is an experienced developer and operator of care homes. The loan is secured with a first charge over the site.

Care Home for the Elderly, Egham

As previously reported, a loan of £1.2 million had been advanced to Windsar Care (UK) LLP to fund the development and initial trading of a 68-bed purpose-built care home in Egham, Windsor. This loan, together with loans from other vehicles managed and advised by the Investment Manager totalling £5.3 million, are secured with a first charge over the site. We understand that construction is behind schedule and over budget as a result of the non-performance of the original building contractor which has been substantially resolved by the developer and construction manager, Alyth Trading. However, it is anticipated that the value of the scheme on completion of construction will exceed the total value of the loans made.

Care Home for the Elderly, Mill Hill

As previously reported, a loan of £2.5 million (together with loans from other vehicles managed and advised by the Investment Manager totalling £5.6 million) was made to Toppan Holdings Limited to fund the development of a 65-bed purpose-built care home in Mill Hill, London. We are pleased to report that the loan was repaid in full during the period generating an attractive return.

Care Home for the Elderly, Hamilton

A loan of £2 million (as part of a £6.9 million facility from other vehicles managed and advised by the Investment Manager) was made to Richmond Global Properties Limited to fund the development of a 112-bed purpose-built care home in Hamilton, Scotland. We are pleased to report that, during the period, the loan was repaid in full, the project having reached practical completion with the home being fitted out ready to accept its first residents.

Care Home for the Elderly, Dover

As previously reported, a £116,000 loan (as part of a £4.4 million facility from other vehicles managed and advised by the Investment Manager) had been advanced to Athena (Alpha) Limited to fund the development of a new purpose-built, 80-bed residential care home in Dover, Kent. We are pleased to report that, during the period, the borrower sold the care home shortly following practical completion and our loan was repaid in full giving a good rate of return.

Construction of Airport Hotel, Edinburgh

During the period, a £1.6 million loan (as part of an overall facility of £13.5 million) was advanced to Ability Hotels (Edinburgh) Limited to fund the development of a new 175-room Hampton

by Hilton hotel at Edinburgh Airport. The hotel is scheduled to open in the summer of 2019 at which time it will be the newest and nearest hotel to the airport terminal building. The Ability Group is an experienced developer and operator of hotels and the loan is secured with a first charge over the site. Following the period end, Ability obtained planning permission to increase the number of rooms to 240 and the overall facility is anticipated to increase accordingly to £17.75 million.

IVF Clinic, Wickford

Loans of £400,000 were advanced to HPC (Wickford) Limited in a total loan package of £2.85 million together with other vehicles managed and advised by the Investment Manager. These loans are to facilitate the development and initial trading of a purpose-built IVF Fertility Clinic in Wickford, Essex. HPC (Wickford) Limited has entered into a lease with Bourn Hall Limited, one of the UK's largest independent fertility clinic groups. Construction is well progressed and is expected to reach practical completion in the first quarter of 2018.

Care Home Project, Melton Mowbray

A £1.35 million loan (together with loans from other vehicles managed and advised by the Investment Manager totalling £5.4 million) had been advanced to Regent Formations 265 Limited to fund the development of a new 88-bed care home in Melton Mowbray, Leicestershire. We previously reported that the borrower was in discussions with a potential purchaser of this care home on terms which would see the loan repaid in full. We are pleased to confirm that this transaction completed during the period and the loans were repaid in full with a good rate of return.

Ironbridge Group

We previously reported that a £1.2 million facility (as part of a total facility of £3 million) had been advanced to an entity within the Ironbridge Group, providing the senior 70% slice of "stretched senior" bridging loans on non-owner-occupied properties in London and the South East with Ironbridge funding the subordinated 30% slice. The £1.2 million facility was repaid shortly following the period end.

Liquidity Management

To further manage liquidity, the Company had exposure to a floating rate note issued by Royal Bank of Canada and a floating rate note issued by Commonwealth Bank of Australia. These positions were liquidated during the period and post period end as the Company made the qualifying investments referred to above.

VCT QUALIFYING STATUS

PricewaterhouseCoopers LLP ("PwC") provides the board and the Investment Manager with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs and has reported no issues in this regard for the Company to date. PwC also assists the Investment Manager in establishing the status of investments as qualifying holdings and, as stated above, shortly after the period end the Company met its minimum qualifying investment percentage, which now stands at just under 74% of the fund on an HMRC basis. PwC will continue to assist the Investment Manager in monitoring rule compliance.

PRINCIPAL RISKS AND UNCERTAINTIES

The economy has showed some signs of a slowdown associated with high personal debt levels and low growth in real wages. The consequences of this for the Company's

investment portfolio constitute the principal risk and uncertainty for the Company in the second half of the year.

PATIENT CAPITAL REVIEW

We are pleased that, in its response to the Financing Growth in Innovative Firms Consultation published with the Autumn Budget on 22 November 2017 ("the Patient Capital Review"), the Government has recognised the continuing importance of VCTs in providing much needed investment in SMEs. We note that proposed changes arising out of the Patient Capital Review include increasing VCTs' minimum qualifying investment percentage threshold from 70% to 80% with effect from 6 April 2019. As reported above, the Company has already met its minimum qualifying investment percentage and we therefore believe that it is on track to meet this revised target in due course.

OUTLOOK

We are pleased that the Company's net assets are now fully deployed in a diverse range of high quality businesses and projects which should offer the prospect of further growth in net assets per share. Whilst there may be some further changes in the composition of the portfolio to ensure that the Company continues to satisfy its HMRC qualifying targets, the Board expects to concentrate in the future primarily on the monitoring of our existing investments and considering options for exits.

Harold Paisner
Chairman
30 November 2017

08 Income Statement (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2017

	Note	Six months ended 31 August 2017			Six months ended 31 August 2016			Year ended 28 February 2017		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Losses)/gains on investments		-	(2)	(2)	-	50	50	-	49	49
Income		656	-	656	573	-	573	1,317	-	1,317
		656	(2)	654	573	50	623	1,317	49	1,366
Investment management fees	4	(75)	(224)	(299)	(74)	(222)	(296)	(149)	(447)	(596)
Other expenses		(133)	-	(133)	(130)	-	(130)	(245)	-	(245)
		(208)	(224)	(432)	(204)	(222)	(426)	(394)	(447)	(841)
Profit/(loss) on ordinary activities before taxation		448	(226)	222	369	(172)	197	923	(398)	525
Tax on return on ordinary activities		(85)	43	(42)	-	-	-	(184)	110	(74)
Profit/(loss) on ordinary activities after tax attributable to equity shareholders		363	(183)	180	369	(172)	197	739	(288)	451
Basic and diluted return/(loss) per Ordinary Share (pence)	2	1.19p	(0.60p)	0.59p	1.21p	(0.56p)	0.65p	2.42p	(0.94p)	1.48p

The total 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)

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AS AT 31 AUGUST 2017

	Note	As at 31 August 2017 €'000	As at 31 August 2016 €'000	As at 28 February 2017 €'000
Fixed Assets				
Investments	6	27,307	30,720	28,820
Current Assets				
Prepayments		1,876	476	1,220
Cash		177	132	35
		2,053	608	1,255
Creditors – amounts falling due within one year		(298)	(1,784)	(277)
Net Current Assets		1,755	(1,176)	978
Net Assets		29,062	29,544	29,798
Capital and Reserves				
Called up share capital		19	19	19
Share premium account		29,473	29,473	29,473
Capital reserve – realised		(905)	(613)	(728)
Capital reserve – unrealised		16	23	22
Revenue reserve		459	642	1,012
Equity Shareholders' Funds		29,062	29,544	29,798
Net Asset Value per Ordinary Share	3	95.25p	96.83p	97.66p
Diluted Net Asset Value per Ordinary Share	3	95.25p	96.83p	97.66p

10 Cash Flow Statement (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2017

	Six months ended 31 August 2017 €'000	Six months ended 31 August 2016 €'000	Year ended 28 February 2017 €'000
Operating activities			
Profit after tax	180	197	451
Unrealised loss/(gain) on investments	2	(50)	(49)
(Increase)/decrease in debtors	(656)	1,724	980
Increase/(decrease) in creditors	21	528	(979)
Net cash outflow from operating activities	(453)	2,399	403
Cash flow from investing activities			
Purchase of investments	(294)	(5,275)	(4,964)
Proceeds from disposal of investments and repayment of loans and loan notes	1,805	495	2,083
Net cash used in investing activities	1,511	(4,780)	(2,881)
Cash flow from financing activities			
Dividends paid	(916)	-	-
Net cash used in financing activities	(916)	-	-
Increase/(decrease) in cash	142	(2,381)	(2,478)
Net cash at the beginning of the period	35	2,513	2,513
Net funds at the period end	177	132	35

Reconciliation of Movements in Shareholders' Funds (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2017

	Called up share capital £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance as at 1 March 2016	19	29,473	(365)	(53)	273	29,347
Return after taxation attributable to equity shareholders	-	-	(248)	76	369	197
Balance as at 31 August 2016	19	29,473	(613)	23	642	29,544
Realised loss from prior period	-	-	(56)	56	-	-
Return after taxation attributable to equity shareholders	-	-	(59)	(57)	370	254
Balance as at 28 February 2017	19	29,473	(728)	22	1012	29,798
Dividends paid	-	-	-	-	(916)	(916)
Return after taxation attributable to equity shareholders	-	-	(177)	(6)	363	180
Balance as at 31 August 2017	19	29,473	(905)	16	459	29,062

12 Notes to the Interim Report

FOR THE PERIOD ENDED 31 AUGUST 2017

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") and in accordance with the Financial Reporting Standard 102 ("FRS102").

2. RETURN PER ORDINARY SHARE

The total profit per share of 0.59p is based on the profit for the period of £180,000 and the weighted average number of shares in issue as at 31 August 2017 of 30,511,969 calculated from the date of the first receipt of proceeds from the issue of ordinary share capital.

3. NET ASSET VALUE PER SHARE

	As at 31 August 2017	As at 31 August 2016	As at 28 February 2017
Net assets	29,062,000	29,544,000	29,798,000
Shares in issue	30,511,969	30,511,969	30,511,969
Net asset value per share			
Basic	95.25p	96.83p	97.66p
Diluted	95.25p	96.83p	97.66p

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. FINANCIAL INFORMATION PROVIDED

The financial information for the period ended 31 August 2017 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The interim financial statements have been prepared on the same basis as will be used to prepare the annual financial statements.

FOR THE PERIOD ENDED 31 AUGUST 2017

6. INVESTMENT PORTFOLIO SUMMARY

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
As at 31 August 2017				
Qualifying Investment – Unquoted				
Warm Hearth Limited	2,500	2,500	-	9%
Mini Rainbows Limited	2,500	2,500	-	9%
Welcome Health Limited	2,500	2,500	-	9%
Growing Fingers Limited	980	980	-	3%
Total Qualifying Investments ¹	8,480	8,480	-	30%
Non-Qualifying Investments				
Palmer Lending Limited	125	125	-	0%
Valencia Lending Limited	550	550	-	2%
Primrose Lending Limited	2,000	2,000	-	7%
Mayfield Lending Limited	3,000	3,000	-	10%
Lothian Lending Limited	2,874	2,874	-	10%
Lavender Lending Limited	116	116	-	0%
Latimer Lending Limited	2,481	2,481	-	9%
Meadow Lending Limited	2,575	2,575	-	9%
Tottenham Lending Limited	800	800	-	3%
Marble Lending Limited	600	600	-	2%
Sloane Lending Limited	800	800	-	3%
Total Non-Qualifying Investments	15,921	15,921	-	55%
Liquidity Management Investments				
Commonwealth Bank of Australia bonds ² (via Palmer Lending Limited)	1,296	1,289	7	4%
Royal Bank of Canada bonds ² (via Bayswater Lending Limited)	1,610	1,601	9	6%
Total Liquidity Management Investments	2,906	2,890	16	10%
Total Investments	27,307	27,291	16	95%
Balance of Portfolio	1,755	1,755	-	5%
Net Assets	29,062	29,046	16	100%

¹ As discussed in the Chairman's Statement, a substantial number of qualifying investments were made following the period end, such that over 70% of the portfolio on the HMRC basis is now qualifying.

² Quoted investment listed on the London Stock Exchange

Of the investments held at 31 August 2017, all are incorporated in England and Wales with the exception of the liquidity management holdings. Copies of this Interim Statement will be made available on the website:

www.pumainvestments.co.uk/pages/view/investors-information-vcts



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Puma Investments is a trading name of
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