SHORE CAPITAL

PUMA HIGH INCOME VCT PLC

ANNUAL REPORT & ACCOUNTS 2010

HIGH INCOME
VCT 10

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Chairman's Statement

Highlights

- Fully diluted net asset value of 96.91p at 31 December 2010
- Interim dividend of 7p per Ordinary Share paid on 1 March 2011

Introduction

I am delighted to be presenting to you as Chairman the first annual report for the Puma High Income VCT plc for the period to 31 December 2010.

The Company raised over £13.5m primarily in the Spring of 2010, having been incorporated in October 2009 and issued its prospectus in November 2009. The fund-raising closed in May 2010. The Investment Manager, Shore Capital Limited, now has approximately £51 million of VCT money under management and a well established, experienced VCT team to manage the Company's deal flow.

Non-qualifying investments

The Company's strategy is to seek a good return from its non-qualifying investments as well as its qualifying investments. Her Majesty's Revenue & Customs ('HMRC') also restrict the amount of income it can receive from cash deposits. Once the proceeds of the fund-raising were received, the Company therefore began investing into a portfolio of securities, being single name bonds, bond funds and absolute return funds. This coincided with the EU bailout of Greece and the markets took a significant downturn due to the resulting European sovereign debt concerns.

This downturn had a significant short-term effect on the portfolio. As it was so shortly after investment, it did not allow our holdings to generate any gains to cushion us from such market fluctuations. However, despite these difficult market conditions the portfolio has recovered and generated gains increasing the net asset value (NAV) of the company by 1.6 per cent at the period end. This return was insufficient to offset the running costs of the Company, hence the overall downturn in NAV.

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. PwC will assist the investment manager in establishing the status of investments as qualifying holdings in the future.

Results and dividends

The Company reported a loss of £152,000 for the period, a loss of 1.30p per ordinary share (calculated on the weighted average number of shares). This is a result of the running costs of the Company exceeding the income and capital gains generated by the non-qualifying portfolio during this initial period in which, as discussed above, market conditions were difficult, leading to a small overall decrease in the net assets. An interim dividend of 7p per Ordinary Share was paid on 1 March 2011 in respect of the period ended 31 December 2010.

Outlook

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, and which 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.

Ray Pierce
Chairman
24 March 2011

Investment Manager's Report

Overall Performance

As discussed in the Chairman's Statement, the performance of the Company has been affected by difficult market conditions which arose shortly after the fund-raising closed. The portfolio initially struggled due to the Greek debt crisis and uncertainty right across Europe concerning sovereign debt. The portfolio rallied in the second half but has not returned sufficient gains to cover the running costs of the Company in its first period resulting in a final NAV of 96.91p. This represents a decrease of 1.11 per cent on the initial investment of 98p (after deducting the 2 per cent launch cost of the Company).

Qualifying Investments

The Company has not made any qualifying investments in this first period. In accordance with the HMRC VCT rules the Company has three years to invest 70 per cent of the portfolio into qualifying investments.

During the period the Investment Management team have met a number of companies which are potentially suitable for investment. Despite the market environment continuing to be difficult there is a good flow of opportunities which have been brought to the consideration of the Board. In accordance with our mandate we have maintained a cautious approach and are performing thorough due diligence work on several potential investments. Whilst no qualifying investments have been made to date there is a strong pipeline and we hope that the Company will invest into qualifying opportunities in the short-medium term.

Non-qualifying investments

As the fundraising for the VCT came to a close we invested into a portfolio of single name bonds, bond funds and absolute return funds. Although the portfolio struggled at first due to the fallout of the European sovereign debt crisis, it rallied in the second half of the period generating a total return which contributed 1.6 per cent to the NAV of the company (including interest from cash held on deposit).

At the end of October we realised our selection of single name bonds at an overall gain of 8 per cent (including income). We had considered these bonds underpriced in the market when we initially bought them, however, in October we felt that the market price had risen and was on par with the realisable value and taking the risk of holding single name bonds was no longer attractive.

The portfolio of bond funds generated a total loss of 1.1 per cent for the period. These funds suffered from inflationary pressures in the last quarter but we consider that the managers did well to maintain capital in such circumstances whilst generating the yield which the VCT will need to achieve under HMRC regulations.

The portfolio of absolute return funds purchased between May and November 2010 generated a return of 2.9 per cent contributing over 1 per cent to the overall NAV of the Company. We believe that these funds are strongly positioned to deliver strong capital gains for the Company throughout 2011. The two equity funds which we purchased in November have already generated returns of over 1 per cent at the period end and should continue to produce a strong capital appreciation for the Company.

Investment Strategy

We are focused on generating strong capital gains for the Company in the non-qualifying portfolio through the absolute return funds whilst holding a selection of bond and equity funds to generate the income required by the HMRC VCT rules. We are balancing these returns with maintaining an appropriate risk exposure and ensuring there is significant liquidity in the portfolio to free up cash for qualifying investments as they arise.

Over the course of the next two years we will build the qualifying portfolio up to the required 70 per cent by the end of year three. We have a strong deal-flow and are meeting a lot of potential investee companies with several interesting opportunities firmly in the pipeline.

Shore Capital Limited

24 March 2011

Investment Portfolio Summary

As at 31 December 2010

Investment		Valuation £'000	Original Cost £'000	Gain/ (Loss) £'000	Valuation as % of NAV
Qualifying Investments – Unquoted		–	–	–	–
Qualifying Investments – Quoted		–	–	–	–
Total Qualifying Investments		–	–	–	–
Non - Qualifying Investments – Unquoted					
BlueBay Macro Fund	***	622	565	57	5%
Trafalgar Azri Fund	***	614	600	14	5%
Non - Qualifying Investments – Quoted					
Blackrock UK Emerging Cos Hedge Fund Limited	*	617	592	25	5%
Exane Archimedes Fund	**	547	568	(21)	3%
Gartmore UK Absolute Return Fund		590	583	7	4%
Jupiter Strategic Bond Fund		777	796	(19)	6%
Legal & General Dynamic Bond Trust		768	796	(28)	6%
Old Mutual Corporate Bond Trust		768	794	(26)	6%
Pimco Global Investors Diversified Income Fund	*	772	800	(28)	6%
Puma Absolute Return Fund	*	1,922	1,900	22	15%
Schroders ISD Emerging Market Debt Absolute Return Fund		780	800	(20)	6%
Schroders Unit Trust Income Maximiser		639	665	(26)	5%
Threadneedle High Yield Bond Fund		798	801	(3)	6%
Veritas Global Focus Fund	*	709	665	44	5%
Total Non - Qualifying Investments		10,923	10,925	(2)	83%
Total investments		10,923	10,925	(2)	83%
Cash at bank		2,374	2,374		17%
Net current assets and liabilities		(47)	(47)		0%
Net assets		13,250	13,252	(2)	100%

Of the investments held at 31 December 2010, 40 per cent are incorporated in England and Wales, 34 per cent in the Cayman Islands and 26 per cent in Europe. Percentages have been calculated on the valuation of the assets at the reporting date.

All quoted investments are listed on the LSE with the exception of those noted below:

* Listed on the Irish Stock Exchange.
** Listed on the Luxemburg Stock Exchange.
*** Traded directly through investment manager of the investee fund.

As at 31 December 2010 the Company held 9.8% of the Class B shares of the Puma Absolute Return Fund (PARF). At this date PARF was also held by Puma VCT III plc, Puma VCT IV plc and also Puma VCT V plc, funds to which Shore Capital Limited is also the Investment Manager.

Directors' Biographies

Ray Pierce (Chairman) (65)

Ray has substantial non-executive experience with private and quoted companies, both FTSE and AIM, as well as with mutuals and charities. His early career was in economic and management consulting, and has since spent nearly 25 years in the financial services industry and related sectors. He was formerly the managing director of Guardian Insurance and a main board director of Guardian Royal Exchange Plc, then a FTSE 100 company. He also held senior positions at American Express Europe and Robson Rhodes, where he was chief executive. Ray was Chairman of Crown Sports Plc from 2003 until its sale in early 2006 and chairman of Engage Mutual Assurance until May 2009. He is currently chairman of Parasol Limited, of Fish Insurance, and of Succession Advisory Services Limited. Ray is also Chairman of Ortus VCT plc (formerly known as Guinness Flight Venture Capital Trust Plc) and is a director of Tesco Bank. He is also Chairman of the Board of Trustees of the National Motor Museum at Beaulieu.

Harold Paisner (71)

Harold is the Senior Partner of Berwin Leighton Paisner LLP, a leading city law firm. He is a member of his firm's corporate finance group, with a portfolio of international clients particularly in the retail, manufacturing and insurance sectors, and is involved generally with the firm's international strategy. He is UK National President of the Union Internationale des Avocats and is a member of the International Issues Committee of the Law Society. He is also a member of the International Bar Association, the British Baltic Lawyers Association and various other organisations. Harold is a non executive director of FIBI Bank (UK) Plc, Think London (London's official inward investment agency) and Interface Inc., the world's largest manufacturer of modular carpet, and is involved with a number of charitable organisations.

Jonathan Morton Smith (59)

Jon is a banking and finance consultant specialising in private debt investment and mid-sized corporate real estate businesses. Having worked for Midland Bank since 1969 he moved to London in 1982 to focus on real estate lending where he was Corporate Banking Director in 1991 and Area Manager/Property Industry Advisor in 1994. Jon left this role to start his own consultancy business in 1998. He then joined AXA Investment Managers with a £1 billion mandate to start a new private debt investment portfolio. Having successfully invested £650 million, changing investment attitudes within AXA resulted in Jon resigning to continue his private consultancy in 2004. AXA remain one of his major clients and Jon represents them in their UK private equity infrastructure investments. He also works closely with Saur SAS where he is PFI Consultant.

Graham Shore (54)

Graham is a former partner of Touche Ross (now Deloitte LLP) and was responsible for the London practice advising the telecommunications and new media industries. At Touche Ross he undertook strategic and economic assignments for a wide range of clients including appraisals of venture capital opportunities. In 1990, Graham joined Shore Capital as Managing Director, and has been involved in managing Shore Capital-promoted investment funds Puma I, the JellyWorks portfolio, Puma II and the Puma VCTs. This has involved the evaluation of new deals and representing the funds with investee companies. Graham has been involved with AIM since its inception as both a corporate financier and investor and with private equity for more than 20 years.

Report of the Directors

The Directors present their annual report and the audited financial statements of the Company for the period ended 31 December 2010.

Principal Activities and Status

The principal activity of the Company is the making of investments in qualifying and non-qualifying holdings of shares or securities. The Company is an investment company within the meaning of Section 833 of the Companies Act 2006. The Company has been granted provisional approval by the Inland Revenue under Section 274 of the Income and Corporation Taxes Act 2007 as a Venture Capital Trust for the period ended 31 December 2010. The Directors have managed, and continue to manage, the Company's affairs in such a manner as to comply with Section 274 of the Income and Corporation Taxes Act 2007.

The Company has no employees (other than the Directors).

The Company's ordinary shares of 1p each have been listed on the Official List of the UK Listing Authority since 1 June 2010.

Investment Policy

Puma High Income VCT plc seeks to achieve its overall investment objective (of proactively managing the assets of the fund with an emphasis on realising gains in the medium term) to maximise distributions from capital gains and income generated by the Company's assets. It intends to do so whilst maintaining its qualifying status as a VCT, by pursuing the following Investment Policy:

Asset Mix

The Company may invest in a mix of qualifying and non-qualifying assets. The qualifying investments may be quoted on AiM/OFEX/Irish Stock Exchange or be unquoted companies. The Company may invest in a diversified portfolio of growth oriented qualifying companies which seek to raise new capital on flotation or by way of a secondary issue. The Company has the ability to structure deals to invest in private companies with an asset-backed focus to reduce potential capital loss. The Company must have had in excess of 70% of its assets invested in qualifying investments as defined for VCT purposes by 31 December 2012.

The portfolio of non-qualifying investments will be managed with the intention of generating a positive return. Subject to the Investment Manager's view from time to time of desirable asset allocation it will comprise quoted and unquoted investments (direct or indirect) in cash or cash equivalents, bonds, equities, vehicles investing in property and a portfolio of hedge funds.

A full text of the Company's investment policy can be found within the Company's prospectus at www.shorecap.co.uk

Principal risks and uncertainties

The principal risks facing the company relate to its investment activities and include market price risk, interest rate risk, credit risk and liquidity risk. An explanation of these risks and how they are managed is contained in note 17 to the financial statements. Additional risks faced by the company are as follows:

Investment Risk – Inappropriate stock selection leading to underperformance in absolute and relative terms is a risk which the Investment Manager and the Board mitigate by reviewing performance throughout the period and formally at Board meetings. There is also a regular review of the investment mandate and long term investment strategy by the Board and monitoring of whether the Company should change its investment strategy.

Regulatory Risk – the Company operates in a complex regulatory environment and faces a number of related risks. A breach of s274 of the Income Tax Act 2007 could result in the Company being subject to capital gains on the sale of investments. A breach of the VCT Regulations could result in the loss of VCT status and consequent loss of tax relief currently available to shareholders. Serious breach of other regulations, such as the UKLA Listing rules and the Companies Act 2006 could lead to suspension from the Stock Exchange. The board receives quarterly reports in order to monitor compliance with regulations.

Risk Management

The Company's asset mix will include a large proportion of the Company's assets held in unquoted investments. These investments are not publicly traded and there is not a liquid market for them, and therefore these investments may be difficult to realise. The Company may also find it difficult to realise some of the quoted investments held in its portfolio in the current market conditions.

The Company manages its investment risk within the restrictions of maintaining its qualifying VCT status by using the following methods:

- the active monitoring of its investments by the Investment Manager and the Board;
- seeking Board representation associated with each investment, if possible;
- seeking to hold larger investment stakes by co-investing with other companies managed by the Investment Manager, so as to gain more influence over the investment;
- ensuring a spread of investments is achieved.

Gearing

The Company has the authority to borrow up to 25% of the amount received on the issued share capital but there are currently no plans to take advantage of this authority.

Report of the Directors continued

Results and dividends

The results for the financial period are set out on page 14. The Directors do not propose a final dividend, an interim dividend of 7p per Ordinary Share was paid on 1 March 2011. It is the aim of the Directors to maximise tax free distributions to shareholders by way of dividends paid out of income received from investments and capital gains received following successful realisations.

Business Review and Future Developments

The Company's business review and future developments are set out in the Chairman's Statement and the Investment Manager's Report on pages 1 to 2.

Key performance indicators

At each board meeting, the Directors consider a number of performance measures to assess the Company's success in meeting its objectives. The Board believes the Company's key performance indicators are movement in NAV, Total Return and dividends payable per share. The Board considers that the Company has no non financial key performance indicators. In addition, the Board considers the Company's compliance with the Venture Capital Trust Regulations to ensure that it will maintain its VCT status. The performance of the Company's portfolios and specific investments is discussed in the Chairman's Statement and Investment Managers Report on pages 1 to 2.

Environmental and social policy

As a VCT the Company is a pure investment company and therefore has no trading activities. Due to this the Company does not have a policy on either environmental or social and community issues.

Capital Structure

The authorised and issued share capital of the Company is detailed in note 12 of these accounts. During the period ended 31 December 2010, the Company issued 13,671,870 new shares.

Repurchase of Ordinary shares

Although the Ordinary Shares are traded on the London Stock Exchange, there is likely to be an illiquid market and in such circumstances Shareholders may find it difficult to sell their Ordinary Shares in the market. In order to try to improve the liquidity in the Ordinary Shares, the Board may establish a buy back policy whereby the Company will purchase Ordinary Shares for cancellation. However there are currently no plans to establish such a policy.

Directors

The Directors of the Company during the period and their beneficial interests in the issued ordinary shares of the Company at 31 December 2010 were as follows

	1p ordinary shares 31 December 2010
Raymond Pierce (Chairman)	18,000
Harold Paisner	60,600
Jonathan Morton-Smith	5,000
Graham Shore	200,000

All of the Directors' share interests shown above were held beneficially. No options over the share capital of the Company have been granted to the Directors. There have been no changes in the holdings of the Directors since the period end.

Graham Shore is also a director of Puma VCT III, IV and V plc and Puma VCT VII plc, VCTs to which Shore Capital Limited is also the Investment Manager.

Investment management, administration and performance fees

The Company has delegated the investment management of the portfolio to Shore Capital Limited (Shore Capital). The principal terms of the Company's management agreement with Shore Capital as applicable during the period ended 31 December 2010, are set out in note 3 of the financial statements.

The Company has delegated company secretarial and other accounting and administrative support to Shore Capital Fund Administration Services Limited for an aggregate annual fee of 0.35 per cent of the Net Asset Value of the Fund at each quarter end, payable quarterly in arrears.

The annual running costs of the Company, for the period, are subject to a cap of 3.5 per cent of the Company's net assets at the period end.

Shore Capital and members of the investment management team will be entitled to a performance related incentive of 20 per cent of the aggregate excess on any amounts realised by the Company in excess of £1 per Ordinary Share, and Shareholders will be entitled to the balance. This incentive will only be exercisable once the holders of Ordinary Shares have received distributions of £1 per share (whether capital or income). The performance incentive structure provides a strong incentive for the Investment Manager to ensure that the Company performs well, enabling the Board to approve distributions as high and as soon as possible.

The performance incentive has been satisfied through the issue of Loan Notes to a nominee on behalf of the Investment Manager's group and employees of and persons related to the investment management team. In the event that distributions attributable to the Ordinary Shares of £1 per share have been made the Loan Notes will convert into sufficient Ordinary Shares to represent 20 per cent of the enlarged number of Ordinary Shares.

The performance fee has been expensed in accordance with FRS 20 for share based payments (see note 1).

It is the Directors opinion that the continued appointment of the Investment Manager, Shore Capital, on the terms agreed is in the best interest of the shareholders as a whole. The Investment Manager has a proven track record in VCT management and currently manages over £51 million of VCT funds and has a strong network within the industry.

VCT status monitoring

The Company has appointed PricewaterhouseCoopers LLP to advise it on compliance with VCT requirements, including evaluation of investment opportunities, as appropriate, and regular review of the portfolio. Although PricewaterhouseCoopers LLP work closely with the Investment Manager, they report directly to the Board.

Compliance with the VCT regulations (as described in the Investment Policy) for the period under review is summarised as follows.

		Position at 31 Dec 2010
1.	The Company holds at least 70% of its investments in qualifying companies;	N/A
2.	At least 30% of the Company's qualifying investments are held in "eligible shares";	N/A
3.	No investment constitutes more than 15% of the Company's portfolio at time of investment;	Complied
4.	The Company's income for each financial period is derived wholly or mainly from shares and securities;	N/A
5.	The Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained; and	Complied
6.	A maximum unit size of £1 million in each VCT qualifying investment (per tax year).	Complied

Creditor payment policy

The Company's payment policy for the forthcoming year is to ensure settlement of suppliers' invoices in accordance with their standard terms. As at 31 December 2010 there were nil days' billing from the suppliers of services outstanding.

Going concern

After making enquiries the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as cash reserves are greater than the anticipated average annual running costs of the Company. Given the nature of the assets held it is considered that these can be realised with sufficient ease to provide any additional cash which may be required to enable the Company to meet its liabilities as they fall due for payment. The directors have considered a period of 12 months from the date of this report for the purposes of determining the company's going concern status which has been assessed in accordance with the guidance issued by the Financial Reporting Council.

Financial Instruments

The material risks arising from the Company's financial instruments are market price risk, credit risk, liquidity risk, foreign exchange risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks and these are summarised in note 17. These policies have remained unchanged since the beginning of the financial year. As a venture capital trust, it is the Company's specific business to evaluate and control the investment risk in its portfolio.

Substantial Shareholdings

As at 31 December 2010 and at the date of this report, the Company was not aware of any beneficial interest exceeding 3 per cent of any class of the issued share capital.

Third Party Indemnity Provision for Directors

Qualifying third party indemnity provision was in place for the benefit of all directors of the Company.

Annual General Meeting

The Annual General Meeting of the Company will be held at Bond Street House, 14 Clifford Street, London, W1S 4JU on 6 May 2011 at 10am. Notice of the Annual General Meeting and Form of Proxy are inserted within this document.

Auditor

The Directors, resolved that Baker Tilly UK Audit LLP be re-appointed as auditor in accordance with the provisions of the Companies Act 2006, s489. Baker Tilly UK Audit LLP has indicated its willingness to continue in office.

Statement as to Disclosure of Information to the Auditor

The Directors in office at the date of this report have confirmed that, as far as they are aware, there is no relevant information of which the auditor is unaware. Each of the Directors have confirmed that they have taken all the steps that they ought to have taken as Directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Statement of Directors' responsibilities

The directors are responsible for preparing the Report of the Directors', the Directors' Remuneration Report, the separate Corporate Governance Statement and the financial statements in accordance with applicable law and regulations. They are also responsible for ensuring the Annual Report includes information required by the Listing and Disclosure and Transparency Rules of the Financial Services Authority.

Report of the Directors continued

Company law and the Disclosure and Transparency Rules requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing those financial statements, the directors are required to:

a. select suitable accounting policies and then apply them consistently;

b. make judgements and estimates that are reasonable and prudent;

c. state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements;

d. prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements and the Directors' Remuneration Report comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Each of the directors, whose names and functions are listed in the Directors Biography on page 4 confirms that, to the best of each persons' knowledge:

a. the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice, give a true and fair view of the assets, liabilities, financial position and profit of the company; and

b. the Chairman's Statement, Investment Manager's Report and Report of the Directors commencing on page 1 include a fair review of the development and performance of the business and the position of the company together with a description of the principal risks and uncertainties that it faces.

Electronic publication

The financial statements are published on www.shorecap.co.uk a website maintained by the investment manager, Shore Capital. Legislation in the United Kingdom regulating the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

The directors are responsible for ensuring the Report of the Directors and other information included in the Annual Report include information required by the Listing Rules of the Financial Services Authority.

By order of the Board

Eliot Kaye
Company Secretary
24 March 2011

Directors' Remuneration Report

This report is prepared in accordance with Schedule 420-422 of the Companies Act 2006. A resolution to approve this report will be put to the members at the Annual General Meeting to be held on 6 May 2011.

Directors' Remuneration Policy

The Board as a whole considers Directors' remuneration and, as such, a Remuneration Committee has not been established. The Board's policy is that the remuneration of non-executive Directors should reflect time spent and the responsibilities borne by the Directors on the Company's affairs and should be sufficient to enable candidates of high calibre to be recruited. Directors' fees payable during the period totalled £48,000 (excluding VAT) as set out in note 4.

The Directors contracts are discussed in point (g) in the Corporate Governance Statement on page 12.

Directors' Remuneration

The Directors received emoluments as detailed below:

	Unaudited Current Annual Fee 12 months £	Audited Period to 31 December 2010 £
Raymond Pierce (Chairman)	18,000	18,000
Harold Paisner	15,000	15,000
Jonathan Morton-Smith	15,000	15,000
Graham Shore *	–	–
	48,000	48,000

* No fee is paid to Graham Shore due to his position as director of the Investment Manager, Shore Capital Limited.

These are the total emoluments, there is no pension or share option scheme.

Brief biographical notes on the directors are given on page 4.

2011 Remuneration

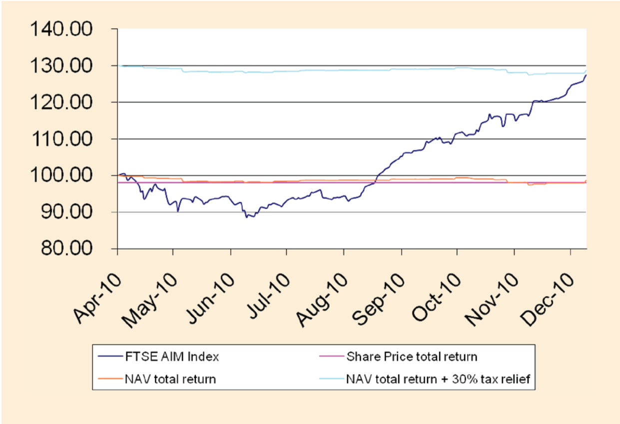
The remuneration levels for the forthcoming year are expected to be at the annual levels shown in the table above. The Directors shall be paid by the Company all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

Directors' and Officers liability insurance cover is held by the Company in respect of the Directors.

On 11 November 2009, the non-executive Directors were appointed for a period of twelve months after which either party must give three calendar months' notice to end the contract.

Performance Graph

The following chart represents the Company's performance from inception to 31 December 2010 and compares the rebased Net Asset Value to a rebased FTSE AiM Allshare Index which has been chosen as a comparison as it best represents the spread of investments held by the Company. This has been rebased to 100 at 23 April 2010, the effective start of operations for the Company.



On behalf of the Board

Raymond Pierce
Chairman
24 March 2011

Corporate Governance Statement

The Directors support the relevant principles of the new Combined Code issued in June 2008 and published on the Financial Reporting Council's Website (www.frc.org.uk), being the principles of good governance and the code of best practice, as set out in Section 1 of the FRC Combined Code. Due to the VCT being a limited life vehicle some areas of the Code have not been complied with, these are set out in the Compliance Statement below.

The Board

The Company has a Board comprising four non-executive Directors. All of the Directors are independent as defined by the Combined Code except for Graham Shore as a result of his holding a Directorship of the Investment Manager. The Board considers that all Directors have sufficient experience to be able to exercise proper judgment within the meaning of the Combined Code. The Board has appointed Raymond Pierce as the senior independent Director who is also the Chairman. Biographical details of all Board members are shown on page 4.

All four directors are to retire at the forthcoming Annual General Meeting and, being eligible, offer themselves for re-election. The Board believe that they have made valuable contributions during the term of their appointment and remain committed to the role. The Board therefore recommends that shareholders re-elect all four directors at the forthcoming AGM.

Full Board meetings take place quarterly and additional meetings are held as required to address specific issues. The board has a formal schedule of matters specifically reserved for its decision. These include:

- considering recommendations from the Investment Manager;
- making all decisions concerning the acquisition or disposal of qualifying investments;
- reviewing, annually, the terms of engagement of all third party advisers (including investment managers and administrators);
- performing the role of Audit Committee (including reviewing the Company's published financial statements, reviewing internal control and risk management systems and monitoring the external Auditors independence, objectivity and the effectiveness of the audit process).

The attendance of individual Directors at full Board meetings during the period were as follows:

	Scheduled Board meetings
Raymond Pierce	3/3
Harold Paisner	3/3
Jonathan Morton-Smith	3/3
Graham Shore	3/3

The Board has also established procedures whereby Directors wishing to do so in the furtherance of their duties may take independent professional advice at the Company's expense.

All Directors have access to the advice and services of the Company Secretary. The Company Secretary provides the Board with full information on the Company's assets and liabilities and other relevant information requested by the Chairman, in advance of each Board meeting.

The Board has not appointed a nominations committee, audit committee or remuneration committee as they consider the Board to be small and it comprises wholly non-executive Directors. Appointments of new Directors, audit matters and Directors' remuneration are dealt with by the full Board.

During the period the Board reviewed the independence of the external auditor and recommended that they be re-appointed. The Directors receive written confirmation each year of the auditor's independence. They also considered the need for an internal audit function and concluded that this function would not be an appropriate control for a venture capital trust.

The Board reviewed Directors' remuneration during the period. Details of the specific levels of remuneration to each director are set out in the Directors' Remuneration Report on page 9, and this is subject to shareholder approval.

Relations with shareholders

Shareholders have the opportunity to meet representatives of the Investment Management team and the Board at the AGM. The Board is also happy to respond to any written queries made by shareholders during the course of the year, or to meet with shareholders if so requested. In addition to the formal business of the AGM, representatives of the Investment Management team and the Board are available to answer any questions a shareholder may have.

Separate resolutions are proposed at the AGM on each substantially separate issue. The Registrars collate proxy votes and the results (together with the proxy forms) are forwarded to the Company Secretary immediately prior to the AGM. In order to comply with the Combined Code, proxy votes are announced at the AGM, following each vote on a show of hands, except in the event of a poll being called. The notice of the next AGM and proxy form are at the end of this document.

Financial Reporting

The Directors' statement of responsibilities for preparing the accounts is set out in the Report of the Directors on page 7, and a statement by the auditors about their reporting responsibilities is set out in the Auditor's Report on page 13.

Internal control

The Company has adopted an Internal Control Manual ("Manual"), which has been compiled in order to comply with the Combined Code. The Manual is designed to provide reasonable, but not absolute, assurance against material misstatement or loss, which it achieves by detailing the perceived risks and controls to mitigate them. The Board is responsible for ensuring that the procedures to be followed by the advisers and themselves are in place, and review the effectiveness of the Manual on an annual basis to ensure that the controls remain relevant and were in operation throughout the year. The Board will implement additional controls when new risks are perceived and update the Manual as appropriate.

Although the Board are ultimately responsible for safeguarding the assets of the Company, the Board has delegated, through written agreements, the day-to-day operation of the Company to the following advisers:

Administration	Shore Capital Fund Administration Services Limited
Investment Management	Shore Capital Limited

Shore Capital Limited identifies the investment opportunities for the consideration of the Board who ultimately make the decision whether to proceed with that opportunity. Shore Capital Limited monitors the portfolio of investments and makes recommendations to the Board in terms of suggested disposals and further acquisitions.

Shore Capital Fund Administration Services Limited is engaged to carry out the accounting function and manages the retention of physical custody of the documents of title relating to unquoted investments through a custodian. Quoted investments are held in Crest. Shore Capital Fund Administration Services Limited regularly reconciles the client asset register with the physical documents.

The Directors confirm that they have established a continuing process throughout the period and up to the date of this report for identifying, evaluating and managing the significant potential risks faced by the Company, and have reviewed the effectiveness of the internal control systems. As part of this process, an annual review of the internal control systems is carried out in accordance with the Financial Reporting Council guidelines for internal control.

Internal control systems include: production and review of monthly bank and management accounts. All outflows made from the VCT's accounts require the authority of two signatories from Shore Capital, the Investment Manager. The Investment Manager is subject to regular review by the Shore Capital Compliance Department.

Going Concern

After making enquiries the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as cash reserves are significantly greater than the anticipated average running costs of the Company. Given the nature of the assets held it is considered that these can be realised with sufficient ease to provide any additional cash which may be required to enable the Company to meet its liabilities as they fall due for payment. The directors have considered a period of 12 months from the date of this report for the purposes of determining the company's going concern status which has been assessed in accordance with the guidance issued by the Financial Reporting Council.

Share capital, rights attaching to the shares and restrictions on voting and transfer

Ordinary shares are freely transferable in both certificated and uncertificated form and can be transferred by means of the CREST system. There are no restrictions on the transfer of any fully paid up share. With respect to voting rights the shares rank pari passu as to rights to attend and vote at any general meeting of the Company. The Companies' major shareholders do not have differing voting rights. Full details of the rights and restrictions attached to the share capital as required by the Takeover Directive are contained within the Company's prospectus which can be found at **www.shorecap.co.uk**.

Compliance statement

The Listing Rules require the Board to report on compliance with the forty-eight Combined Code provisions throughout the accounting period. With the exception of the items outlined below, the Company has complied throughout the accounting period ended 31 December 2010 with the provisions set out in Section 1 of the Combined Code. Due to the special nature of the Company being a VCT, the following provisions of the Combined Code have not been complied with:

a) Provision A1-3 – Due to the size of the Board, they feel it unnecessary to formalise procedures to appraise the Chairman's performance, as the Board deem it appropriate to address matters as they arise.

b) Provision A3-3 – Due to the size of the board, the role of Chairman and senior independent Director are both performed by Raymond Pierce. The recommendation is for the senior independent Director and Chairman to be separate positions on the Board.

c) Provision A5-1 – New directors do not receive a full, formal and tailored induction on joining the Board because matters are addressed on an individual basis as they arise. Also the Company has no major shareholders so shareholders are not given the opportunity to meet any new non-executive directors at a specific meeting other than the annual general meeting.

Corporate Governance Statement continued

d) Provision A6-1 – Due to the size of the Board, a formal performance evaluation of the Board, its committees and the individual Directors has not been undertaken. Specific performance issues are dealt with as they arise.

e) Provisions C3-1 to C3-6 – Due to the size of the Board, the Company did not have a formal audit committee. The Directors do not consider it necessary to appoint an audit committee as the majority of the Board are independent non-executive Directors. The Directors consider that the role and responsibility of the audit committee as set-out in provisions C3-1 to C3-6 have been adopted by the full board. Relevant matters were dealt with by the full Board.

f) Provisions A4-1 to A4-3 & A4-6, B2-1 to B2-2, – Due to the size of the Board and because there are no executive directors or senior management, the Company did not have a formal nominations committee, or remuneration committee. During the period there have been no changes to the Board of the Directors and the Directors remuneration remains unchanged.

g) Provision A7-2 – On 11 November 2009 the Directors were appointed for a period of twelve months after which either party must give three calendar months' notice to end the contract. The recommendation of the Combined Code is for fixed term renewable contracts. This is deemed unnecessary by the Board because all Directors are subject to re-election at the first AGM and from that point forward by rotation at least every three years.

h) Provision A3-1 – Graham Shore is not considered to be independent as he holds common directorships under the same Investment Manager. The Board considers that Graham Shore has sufficient experience to exercise proper judgment within the meaning set out by the Combined Code.

Independent Auditor's Report to the Members of Puma High Income VCT plc

We have audited the financial statements on pages 14 to 31. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of directors and auditor

As more fully explained in the Directors' Responsibilities Statement set out on page 7, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the APB's website at www.frc.org.uk/apb/scope/private.cfm.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 31 December 2010 and of its loss for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion:

- the part of the Directors' Remuneration Report to be audited has been properly prepared in accordance with the Companies Act 2006;
- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the information given in the Corporate Governance Statement set out on page 10 to 12 in compliance with rules 7.2.5 and 7.2.6 in the Disclosure Rules and Transparency Rules sourcebook issued by the Financial Services Authority (information about internal control and risk management systems in relation to financial reporting processes and about share capital structures) is consistent with the financial statements.

Matters on which we are required to report by exception

We have nothing to report in respect of the following:

Under the Companies Act 2006 we are required to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements and the part of the Directors' Remuneration Report to be audited are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- a Corporate Governance Statement has not been prepared by the Company.

Under the Listing Rules we are required to review:

- the directors' statement, set out on page 5, in relation to going concern;
- the part of the Corporate Governance Statement on pages 10 to 12 relating to the Company's compliance with the nine provisions of the June 2008 Combined Code specified for our review; and
- certain elements of the report to shareholders by the Board on directors' remuneration.

Richard White (Senior Statutory Auditor)

For and on behalf of
BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

25 March 2011

Income Statement

For the period ended 31 December 2010

		Period from 7 October 2009 to 31 December 2010		
	Note	Revenue £'000	Capital £'000	Total £'000
Gains on investments	8(c)	–	54	54
Income	2	131	–	131
		131	54	185
Investment management fees	3	49	148	197
Other expenses	4	140	–	140
		189	148	337
Loss on ordinary activities before taxation		(58)	(94)	(152)
Tax on ordinary activities	5	–	–	–
Loss after taxation attributable to equity shareholders		(58)	(94)	(152)
Basic and diluted loss per Ordinary Share (pence)	6	(0.50)p	(0.80)p	(1.30)p

The total column represents the profit and loss account and the revenue and capital columns are supplementary information.

All revenue and capital 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 Income Statement.

The accompanying notes on pages 18 to 31 are an integral part of the financial statements

Balance Sheet

As at 31 December 2010

	Note	As at 31 December 2010 £'000
Fixed Assets		
Investments	8(a)	**10,923**
Current Assets		
Debtors	9	**87**
Cash at bank and in hand		**2,374**
		2,461
Creditors - amounts falling due within one year	10	**(133)**
Net Current Assets		**2,328**
Total Assets less Current Liabilities		**13,251**
Creditors - amounts falling due after more than one year (including convertible debt)	11	**(1)**
Net Assets		**13,250**
Capital and Reserves		
Called up share capital	12	**137**
Share Premium account	13	**13,264**
Capital reserve – realised	13	**(110)**
Capital reserve – unrealised	13	**17**
Revenue reserve	13	**(58)**
Equity Shareholders' Funds		**13,250**
Basic and diluted Net Asset Value per Ordinary Share	14	**96.91p**

The financial statements were approved and authorised for issue by the Board of Directors on 24 March 2011 and were signed on their behalf by:

Raymond Pierce
Chairman
24 March 2011

The accompanying notes on pages 18 to 31 are an integral part of the financial statements.

Cash Flow Statement

For the period ended 31 December 2010

	Note	Period ended 31 December 2010 £'000
Operating activities		
Interest income received		96
Investment management fees paid		(134)
Directors fees paid		(39)
Other expenses paid		(35)
Net cash outflow from operating activities	15	(112)
Capital expenditure and financial investment		
Purchase of investments		(11,615)
Proceeds from sale of investments		741
Acquisition costs		(13)
Net cash outflow from capital expenditure and financial investment		(10,887)
Financing		
Proceeds received from issue of ordinary share capital		13,521
Expenses paid for issue of share capital		(149)
Proceeds received from issue of redeemable preference shares		50
Redemption of redeemable preference shares		(50)
Proceeds received from convertible loan notes		1
Net cash inflow from financing		13,373
Inflow in the period		2,374
Reconciliation of net cash flow to movement in net funds		
Increase in cash for the period		2,374
Net funds at start of the period		–
Net funds at the period end		2,374

The accompanying notes on pages 18 to 31 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the period ended 31 December 2010

	Called up share capital £'000	Share Premium Account £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Revenue reserve £'000	Total £'000
Share issues in the period	137	13,535	–	–	–	13,672
Expenses of share issues	–	(271)	–	–	–	(271)
Return after taxation attributable to equity shareholders	–	–	(110)	17	(58)	(151)
At 31 December 2010	**137**	**13,264**	**(110)**	**17**	**(58)**	**13,250**

The accompanying notes on pages 18 to 31 are an integral part of the financial statements.

Notes to the Accounts

For the period ended 31 December 2010

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of investments held at fair value, and in accordance with UK Generally Accepted Accounting Practice ("UK GAAP") and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts ("SORP") revised in 2009.

Income Statement

In order to better reflect the activities of a Venture Capital Trust and in accordance with guidance issued by the Association of Investment Companies ("AIC"), supplementary information which analyses the Income Statement between items of a revenue and capital nature has been presented alongside the Income Statement. The net loss of £152,000 as per the Income Statement on page 14 is the measure that the Directors believe appropriate in assessing the Company's compliance with certain requirements set out in s274 of the Income Tax Act 2007.

Investments

All investments have been designated as fair value through profit or loss, and are initially measured at cost which is the best estimate of fair value. A financial asset is designated in this category if acquired to be both managed and its performance is evaluated on a fair value basis with a view to selling after a period of time in accordance with a documented risk management or investment strategy. All investments held by the Company have been managed in accordance with the investment policy set out on page 5. Thereafter the investments are measured at subsequent reporting dates at fair value. Listed investments and investments traded on AiM are stated at bid price at the reporting date. Hedge funds are valued at their respective quoted Net Asset Values per share at the reporting date. Unlisted investments are stated at Directors' valuation with reference to the International Private Equity and Venture Capital Valuation Guidelines ("IPEVC") and in accordance with FRS26 "Financial Instruments: Measurement":

- Investments which have been made within the last twelve months or the investee company is in the early stage of development will usually be valued at the price of recent investment except where the company's performance against plan is significantly different from expectations on which the investment was made in which case a different valuation methodology will be adopted.
- Investments may be valued by applying a suitable price-earnings ratio to that company's historical post tax earnings. The ratio used is based on a comparable listed company or sector but discounted to reflect lack of marketability. Alternative methods of valuation include net asset value where such factors apply that make this or alternative methods more appropriate.

Realised surpluses or deficits on the disposal of investments are taken to realised capital reserves, and unrealised surpluses and deficits on the revaluation of investment are taken to unrealised capital reserves.

It is not the Company's policy to exercise either significant or controlling influence over investee companies. Therefore the results of the companies are not incorporated into the revenue account except to the extent of any income accrued.

Cash at bank and in hand

Cash at bank and in hand comprises of cash on hand and demand deposits.

Equity instruments

Equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities. Equity instruments issued by the company are recorded at proceeds received net of issue costs.

Income

Dividends receivable on listed equity shares are brought into account on the ex-dividend date. Dividends receivable on unlisted equity shares are brought into account when the Company's right to receive payment is established and there is no reasonable doubt that payment will be received. Interest receivable is recognised wholly as a revenue item on an accruals basis.

Performance fees

Upon its inception, the Company negotiated performance fees payable to the Investment Manager, Shore Capital Limited at 20 per cent of the aggregate excess on any amounts realised by the Company in excess of £1 per Ordinary Share. This incentive will only be exercisable once the holders of Ordinary Shares have received distributions of £1 per share. The realisation of this performance fee will be effected through an equity-settled share-based payment.

FRS 20 Share-Based Payment requires the recognition of an expense in respect of share-based payments in exchange for goods or services. Entities are required to measure the goods or services received at their fair value, unless that fair value cannot be estimated reliably in which case that fair value should be estimated by reference to the fair value of the equity instruments granted. The fair value of the share-based payment is calculated by reference to the fair value of the performance fees accrued at the balance sheet date.

At each balance sheet date, the Company estimates that fair value by reference to the excess of the net asset value, adjusted for dividends paid, over £1 per share in issue at the balance sheet date. The Company recognises the impact of the change in shares to be issued in the Income Statement with a corresponding adjustment to equity.

Expenses

All expenses (inclusive of VAT) are accounted for on an accruals basis. Expenses are charged wholly to revenue, with the exception of:

- expenses incidental to the acquisition or disposal of an investment charged to capital; and
- the investment management fee, 75 per cent of which has been charged to capital to reflect an element which is, in the directors' opinion, attributable to the maintenance or enhancement of the value of the Company's investments in accordance with the boards expected long-term split of return; and
- the performance fee which is allocated proportionally to revenue and capital based on the respective contributions to the Net Asset Value.

Taxation

Corporation tax is applied to profits chargeable to corporation tax, if any, at the applicable rate for the year. The tax effect of different items of income/gain and expenditure/loss is allocated between capital and revenue return on the marginal basis as recommended by the SORP.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date, where transactions or events that result in an obligation to pay more, or right to pay less, tax in future have occurred at the balance sheet date. This is subject to deferred tax assets only being recognised if it is considered more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Timing differences are differences arising between the Company's taxable profits and its results as stated in the financial statements which are capable of reversal in one or more subsequent years. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Reserves

Realised losses and gains on investments and foreign exchange transactions, transaction costs, the capital element of the management fee and taxation are taken through the Income Statement and recognised in the Capital Reserve – Realised on the Balance sheet. Unrealised losses and gains on investments and foreign exchange transactions and the capital element of the performance fee are also taken through the Income Statement and recognised in the Capital Reserve – Unrealised. The performance fee to be effected through share-based payment is taken to the Other Reserve and the total revenue gain or loss on the Income Statement is taken to the Revenue Reserve.

Foreign exchange

The base currency of the Company is Sterling. Transactions denominated in foreign currencies are translated into Sterling at the rates ruling at the dates that they occurred. Assets and liabilities denominated in a foreign currency are translated at the appropriate foreign exchange rate ruling at the balance sheet date. Translation differences are recorded as unrealised foreign exchange losses or gains and taken to the Income Statement.

Forward contracts and hedging

The Company enters into forward contracts for the sale of foreign currencies in order to hedge its exposure to fluctuations in currency rates in respect of some of its investments. These forward contracts are recorded at fair value through profit and loss. Any foreign exchange gain or loss is recorded by the Company in the Capital Reserve – unrealised until settled. Once realised, the gain or loss is taken to the Capital Reserve - realised.

Notes to the Accounts continued

For the period ended 31 December 2010

1. Accounting Policies (continued)

Debtors

Debtors include accrued income which is recognised at amortised cost, equivalent to the fair value of the expected balance receivable.

Dividends

Dividends payable are recognised as distributions in the financial statements when the Company's liability to make payment has been established. The liability is established when the dividends proposed by the Board are approved by the Shareholders.

2. Income

	Period to 31 December 2010 £'000
Income from investments	
Bond interest	58
	58
Other income	
Bank deposit interest	73
Total income	131

3. Investment Management Fees

	Period ended 31 December 2010 £'000
Shore Capital Limited	212
Fee rebates	(15)
	197

Shore Capital Limited (Shore Capital) has been appointed as the Investment Manager of the Company for an initial period of five years, which can be terminated by not less than twelve months' notice, given at any time by either party, on or after the fifth anniversary. The board is satisfied with the performance of the Investment Manager. Under the terms of this agreement Shore Capital will be paid an annual fee of 2 per cent of the Net Asset Value payable quarterly in arrears calculated on the relevant quarter end NAV of the Company, charged from the date of the first share allotment. These fees are capped, the Investment Manager having agreed to reduce its fee (if necessary to nothing) to contain total annual costs (excluding performance fee) to within 3.5 per cent of Net Asset Value. Total annual costs this period were 2.7% of the period end Net Asset Value.

The Company had invested during the period in the Puma Absolute Return Fund Limited which is also managed by Shore Capital Limited. An arrangement is in place to avoid the double charging of management and performance fees. The Company has set off investment fee rebates against the management fee charge.

4. Other expenses

	Period ended 31 December 2010 £'000
Administration – Shore Capital Fund Administration Services Limited	35
Directors' remuneration	48
Social security costs	4
Auditor's remuneration for statutory audit	11
Insurance	4
Legal and professional fees	18
FSA, LSE and registrar fees	13
Other expenses	7
	140

Shore Capital Fund Administration Services Limited provides administrative services to the Company for an aggregate annual fee of 0.35 per cent of the Net Asset Value of the Fund, payable quarterly in arrears.

The total fees paid or payable (excluding VAT and employers NIC) in respect of individual Directors for the period are detailed in the Directors' Remuneration Report commencing on page 9. The Company had no employees (other than Directors) during the period. The average number of non–executive Directors during the period was 4.

5. Tax on Ordinary Activities

	Period ended 31 December 2010 £'000
UK corporation tax charged to revenue reserve	–
UK corporation tax credited to capital reserve	–
(a) UK corporation tax charge for the period	–
(b) Factors affecting tax charge for the year/period	
Revenue loss on ordinary activities before taxation	(58)
Tax charge calculated on the revenue loss on ordinary activities before taxation at the applicable rate of 21%	(12)
Tax losses carried forward	12
Total current tax charge	–

The income statement shows the tax charge allocated to revenue and capital. Capital returns are not included as VCTs are exempt from tax on realised capital gains subject that they comply and continue to comply with the VCT regulations.

No provision for deferred tax has been made in the current accounting. No deferred tax assets have been recognised as the timing of their recovery cannot be foreseen with any certainty. Due to the Company's status as a Venture Capital Trust and the intention to continue meeting the conditions required to obtain approval in the foreseeable future, the Company has not provided deferred tax on any capital gains and losses arising on the revaluation or disposal of investments.

Notes to the Accounts continued

For the period ended 31 December 2010

6. Basic and diluted return per Ordinary Share

	Period ended 31 December 2010		
	Revenue	Capital	Total
Loss for the period	(58,000)	(94,000)	(152,000)
Weighted average number of shares	11,702,845	11,702,845	11,702,845
Loss per Ordinary Share	(0.50)p	(0.80)p	(1.30)p

The total loss per ordinary share is the sum of the revenue return and capital return.

7. Dividends

The directors do not propose a final dividend in relation to the period ended 31 December 2010. An interim dividend of 7p per Ordinary Share was paid on 1 March 2011.

8. Investments

(a) Summary	Historic Cost as at 31 December 2010 £'000	Market Value as at 31 December 2010 £'000
Qualifying venture capital investments	–	–
Non – qualifying investments	10,925	10,923
	10,925	10,923

(b) Movements in investments	Venture capital investments	Hedge funds & equity investments	Total £'000
Purchases at cost	–	13,222	13,222
Disposals – proceeds	–	(2,347)	(2,347)
– realised net gains on disposal	–	50	50
Net unrealised losses on revaluation of investments	–	(2)	(2)
Valuation at 31 December 2010	–	10,923	10,923
Book cost at 31 December 2010	–	10,925	10,925
Net unrealised losses at 31 December 2010	–	(2)	(2)
Valuation at 31 December 2010	–	10,923	10,923

8. Investments (continued)

(c) Gains/(losses) on investments

The gains/(losses) on investments for the period shown in the Income Statement on page 14 is analysed as follows:

	Period ended 31 December 2010 £'000
Realised gains on disposal	51
Transaction costs	(13)
Foreign exchange gain– realised	–
Foreign exchange gain – unrealised on forward foreign exchange contracts	18
Foreign exchange losses – unrealised on investments	(19)
Net unrealised gains on revaluation in respect of investments held at the period end	17
	54

(d) Quoted and unquoted investments	Historic Cost as at 31 December 2010 £'000	Market Value as at 31 December 2010 £'000
Quoted investments	9,760	9,687
Unquoted investments	1,165	1,236
	10,925	10,923

9. Debtors

	As at 31 December 2010 £'000
Fair value of forward foreign exchange contracts	18
Prepayments and accrued income	40
Other debtors	29
	87

	As at 31 December 2010 £'000	
	Assets	Liabilities
Forward foreign exchange contracts – € EUR	18	–
	18	–

Notes to the Accounts continued

For the period ended 31 December 2010

10. Creditors – amounts falling due within one year

	As at 31 December 2010 £'000
Accrued management and administration costs	(133)
	(133)

11. Creditors – amounts falling due after more than one year (including convertible debt)

	As at 31 December 2010 £'000
Loan Notes	(1)

On 11 November, 2009, the Company issued Loan Notes in the amount of £1,000 to a nominee on behalf of the Investment Manager's group and employees of and persons related to the investment management team. The Loan Notes accrue interest of 5 per cent per annum.

Shore Capital and members of the investment management team will be entitled to a performance related incentive of 20 per cent of the aggregate excess on any amounts realised by the Company in excess of £1 per Ordinary Share, and Shareholders will be entitled to the balance. This incentive to be effected through the issue of shares in the Company will only be payable once the holders of Ordinary Shares have received distributions of £1 per share (whether capital or income). The performance incentive structure provides a strong incentive for the Investment Manager to ensure that the Company performs well, enabling the Board to approve distributions as high and as soon as possible.

In the event that distributions to the holders of Ordinary Shares totalling £1 per share have been made the Loan Notes will convert into sufficient Ordinary Shares to represent 20 per cent of the enlarged number of Ordinary Shares.

No performance fee is currently payable as the Ordinary Shares have not received enough distributions to date. However, when the total return is greater than £1, a performance fee will be expensed in accordance with FRS 20 Share–based Payment.

The amount of the performance fee will be calculated as 20 per cent of the excess of the net asset value over £1 per issued share. This amount will be debited to the Income Statement and credited to other reserve within Equity Shareholders' Funds.

12. Called Up Share Capital

	As at 31 December 2010 £'000
Allotted and fully paid:	
13,671,870 ordinary shares of 1p each	137

The Company issued 13,671,870 Ordinary shares at £1 per share during the period ended 31 December 2010.

The authorised share capital upon incorporation was £500,000 divided into 50,000 Redeemable Preference Shares of £1 each and 45,000,000 Ordinary Shares of 1p each, of which two Ordinary shares were issued, fully paid, to the subscribers on 7 October 2009.

On 5 November 2009 50,000 Redeemable Preference shares were issued to Shore Capital Limited, one quarter paid up, so as to enable the Company to obtain a certificate under Section 761 of the Companies Act 2006.

Between 8 February 2010 and 2 June 2001, 13,671,870 Ordinary shares of 1p each were issued at £1 per share pursuant to the offers for subscription to the public dated 23 January 2008. The aggregate consideration for the shares was £13,671,870 which excluded issue costs of £148,910.

12. Called Up Share Capital continued

On 26 November 2010 the 50,000 Redeemable Preference shares were paid up in full and then subsequently redeemed out of the proceeds of the offers. Upon redemption, the unissued share capital thereby created was sub–divided into and redesignated, as 5,000,000 Ordinary shares. Following this, the authorised share capital was £500,000 divided into 50,000,000 Ordinary shares of 1p each.

The Ordinary Shares and the Preference Shares shall have the same rights and privileges and shall rank pari passu in all respects save that:

As Regards Voting:

(i) The holders of the Preference Shares shall not be entitled to receive notice of, or attend, or vote at any General Meeting of the Company.

As Regards Income:

(ii) The holders of the Preference Shares shall be entitled in priority to any payment of dividend on any other class of share to a cumulative preferential dividend of 0.1% (per annum). Subject to the above the profits of the Company available for dividend and resolved to be distributed shall be distributed by way of dividend among the holders of the Ordinary Shares.

As Regards Capital:

(iii) The Preference Shares shall confer the rights to be paid out of the assets of the Company available for distribution a nominal amount paid on such shares pari passu with, and in proportion to, the amount of capital paid to the holders of the ordinary shares, but do not confer any right to participate in any surplus assets of the Company.

13. Capital and Reserves

	Called up share capital £'000	Share premium reserve £'000	Capital reserve–realised £'000	Capital reserve–unrealised £'000	Revenue reserve £'000	Total £'000
Shares issued in the period	137	13,535	–	–	–	13,672
Expenses of share issues	–	(271)	–	–	–	(271)
Net gains on realisation of investments	–	–	51	–	–	51
Net unrealised gains on revaluation of investments, forward foreign exchange contracts and cash	–	–	–	17	–	17
Transaction costs	–	–	(13)	–	–	(13)
Management fees charged to capital	–	–	(148)	–	–	(148)
Retained net loss for the period	–	–	–	–	(58)	(58)
Balance at 31 December 2010	**137**	**13,264**	**(110)**	**17**	**(58)**	**13,250**

Distributable reserves comprise: Capital reserve–realised, Capital reserve unrealised and the Revenue reserve. At the period end distributable reserves totalled £(151,000), as these reserves have a deficit balance the Company was not in a position to pay a dividend at the period end. On 2 February 2011 the share premium account was cancelled moving the balance into distributable reserves in order to pay out the 7p interim dividend on 1 March 2011.

The Capital reserve–realised shows gains/losses that have been realised in the period due to the sale of investments, and related costs. The Capital reserve–unrealised shows the gains/losses on investments still held by the company not yet realised by an asset sale.

Notes to the Accounts continued

For the period ended 31 December 2010

14. Net Asset Value per Ordinary Share

	31 December 2010	
	Basic	**Diluted**
Net assets (£)	13,250,000	13,250,000
Number of Ordinary Shares	13,671,870	13,671,870
Net Assets Value per Ordinary Share (p)	96.91p	96.91p

There is a dilution impact from the future issuance of additional shares to effect the performance fee payable to the Investment Manager. Although the conditions of the performance fee have not been met at the period–end, the following disclosure has been provided to show the impact as if the performance fee was effected at the period end (see note 1).

Calculation of number of shares	31 December 2010	
	Basic	**Diluted**
Number of Ordinary Shares	13,671,870	13,671,870
Dilutive effect of performance fee (see note 1)	–	–
At period end	13,671,870	13,671,870

15. Reconciliation of total return before taxation to net cash inflow from operating activities

	Period ended 31 December 2010 £'000
Total loss before taxation	(152)
Gains on investments	(54)
Increase in debtors	(39)
Increase in creditors	133
Net cash inflow from operating activities	(112)

16. Analysis of Changes in Net Funds

	Period ended 31 December 2010 £'000
Beginning of period	–
Net cash inflow	2,374
As at period end	2,374

17. Financial Instruments

The Company's financial instruments comprise its investments, cash balances, debtors and certain creditors. Fixed Asset investments held are valued at Bid market prices, Net Asset Value, discounted cashflow or at the price of recent investment in accordance with IPEVC guidelines (see note 1). The fair value of all of the Company's financial assets and liabilities is represented by the carrying value in the Balance Sheet. The Company held the following categories of financial instruments, all of which are included in the balance sheet at fair value at 31 December 2010:

	2010 **£'000**
Assets at fair value through profit or loss	
Investments managed through Shore Capital Limited	10,923
Loans and receivables	
Cash at bank and in hand	2,374
Interest, dividends and other receivables	87
Other financial liabilities	
Financial liabilities measured at amortised cost	(134)
	13,250

Management of risk

The main risks the Company faces from its financial instruments in the current and prior period are market price risk, being the risk that the value of investment holdings will fluctuate as a result of changes in market prices caused by factors other than interest rate or currency movements, liquidity risk, Credit risk, foreign currency risk and interest rate risk. The Board regularly reviews and agrees policies for managing each of these risks. The Board's policies for managing these risks are summarised below and have been applied throughout the period.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with the Company. The Investment Manager monitors counterparty risk on an ongoing basis. The carrying amounts of financial assets best represents the maximum credit risk exposure at the balance sheet date. The Company's financial assets maximum exposure to credit risk is as follows:

	2010 **£'000**
Cash and cash equivalents	2,374
Interest, dividends and other receivables	87
	2,461

The cash held by the Company at the period end is split between a large double AA- rated U.K. bank and a BBB rated South African bank. Bankruptcy or insolvency of the bank may cause the Company's rights with respect to the receipt of cash held to be delayed or limited. The Board monitors the Company's risk by reviewing regularly the financial position of the bank and should it deteriorate significantly the Investment Manager will, on instruction of the Board, move the cash holdings to another bank.

Credit risk associated with interest, dividends and other receivables are predominantly covered by the investment management procedures.

All the investments of the Company are held by Pershing Securities Limited, the Company's custodian. Bankruptcy or insolvency of the custodian may cause the Company's rights with respect to securities held by the custodian to be delayed or limited. The Board monitors the Company's risk by reviewing the custodian's internal control reports.

Notes to the Accounts continued

For the period ended 31 December 2010

17. Financial Instruments (continued)

Market price risk

Market price risk arises mainly from uncertainty about future prices of financial instruments held by the Company. It represents the potential loss the Company might suffer through holding market positions or unquoted investments in the face of price movements. The Investment Manager actively monitors market prices throughout the period and reports to the Board, which meets regularly in order to consider investment strategy.

The Company's strategy on the management of investment risk is driven by the Company's investment policy as outlined in the Report of the Directors on page 5. The management of market price risk is part of the investment management process. The portfolio is managed with an awareness of the effects of adverse price movements through detailed and continuing analysis, with an objective of maximising overall returns to shareholders.

Investments in unquoted investments pose higher price risk than quoted investments. Some of that risk can be mitigated by close involvement with the management of the investee companies along with review of their trading results to produce a conservative and accurate valuation.

Investments in AiM traded companies, by their nature, involve a higher degree of risk than investments in the main market. Some of that risk can be mitigated by diversifying the portfolio across business sectors and asset classes. The Company's overall market positions are monitored by the Board on a quarterly basis.

Investments in hedge funds can have a perception of high market price risk. The Company's strategy in respect of hedge funds is to invest in funds that have underlying positions that are liquid and independently marked-to-market.

55 per cent of the Company's investments are traded on AiM, listed on the London Stock Exchange or other similar exchanges. 34 per cent of the Company's investments are quoted hedge funds and 11 per cent are unquoted investments.

The table below outlines the individual impact to the valuation of the investments of a 5 per cent change to quoted stocks, quoted hedge funds and unquoted investments. The change outlines the potential increase or decrease in net assets attributable to the Company's shareholders and the total return for the period.

	2010 £'000
Quoted bond funds	265
Quoted hedge funds	184
Quoted equity funds	35
Unquoted hedge funds	62
	546

Liquidity risk

The Company's two unquoted holdings are traded directly through the investment manager of the investee fund and are considered to be readily realizable as they are redeemable at monthly stated NAVs. As at the period end, the Company had no borrowings other than loan notes amounting to £1,000 (see note 11).

The Company's quoted hedge funds are also considered to be readily realisable as they are redeemable at monthly stated NAVs.

The Company's liquidity risk associated with investments is managed on an ongoing basis by the Investment Manager in conjunction with the Directors and in accordance with policies and procedures in place as described in the Report of the Directors. The Company's overall liquidity risks are monitored on a quarterly basis by the Board.

The Company maintains sufficient investments in cash and readily realisable securities to pay accounts payable and accrued expenses. At 31 December 2010 these investments were valued at £2,374,000

17. Financial Instruments (continued)

Fair value interest rate risk

The benchmark that determines the interest paid or received on the current account is the Bank of England base rate, which was 0.5 per cent at 31 December 2010.

At the period end and throughout the period, the Company's only liability subject to fair value interest rate risk were the Loan Notes of £1,000 at 5.0 per cent (see note 11).

Cash flow interest rate risk

The Company has exposure to interest rate movements primarily through its cash deposits which track the Bank of England base rate. During the period, the Company earned interest income from cash with its custodian, Pershing Securities Limited and from deposits held with RBS, Lloyds and Investec.

The benchmark that determines the interest paid or received on the current account is the Bank of England base rate, which was 0.5 per cent at 31 December 2010.

Interest rate risk profile of financial assets

The Company's financial assets, other than the fixed interest loan stock investments noted above and non-interest bearing investments, are floating rate. The following analysis sets out the interest rate risk of the Company's financial assets.

	Rate status	Average interest rate	Period until maturity	Period ended 31 December 2010 £'000
Cash at bank	Floating rate *	0.9%	–	**220**
Cash at bank	Fixed rate	1.65%	32 day notice	**2,154**
Balance of assets	Non-interest bearing		–	**10,876**
* Benchmark rate is Bank of England base rate, 0.5% at the period end				**13,250**

The non-interest bearing assets include investments in hedge funds and equity instruments that have no fixed dividend or interest rate.

An increase of 1 per cent in UK base rate as at the reporting date would have increased the net assets attributable to the Company's shareholders and decreased the total loss for the period by £2,000. A decrease of 1 per cent would have had an equal but opposite effect.

Foreign currency risk

The reporting currency of the Company is Sterling. However, the Company holds one Euro denominated investment as well as Euro cash accounts. As at the year end, the Sterling equivalent value of such foreign investments amounted to £547,000 representing 4 per cent of the Company's net assets as at that date.

The Group enters into forward contracts for the sale of foreign currencies in order to hedge its exposure to fluctuations in currency rates in respect of these holdings. These forward contracts are recorded at fair value through profit and loss and any change in value is taken to the capital account. Gains on unrealised forward contracts at year-end were £18,000 and have been recorded in the Capital Reserve – unrealised. The notional principal amounts of the outstanding forward foreign currency exchange contracts at 28 February 2010 were £568,000.

Notes to the Accounts continued

For the period ended 31 December 2010

17. Financial Instruments (continued)

Fair value hierarchy

Fair values have been measured at the end of the reporting period as follows:

Period ended 31 December 2010	Level 1 'Quoted prices'	Level 2 'Observable inputs'	Level 3 'Unobservable inputs'	Total
Financial assets				
At fair value through profit and loss	9,687	1,236	–	10,923

Financial assets and liabilities measured at fair value are disclosed using a fair value hierarchy that reflects the significance of the inputs used in making the fair value measurements, as follows:

Level 1 – Unadjusted quoted prices in active markets for identical asset or liabilities ('quoted prices');

Level 2 – Inputs (other than quoted prices in active markets for identical assets or liabilities) that are directly or indirectly observable for the asset or liability ('observable inputs'); or

Level 3 – Inputs that are not based on observable market data ('unobservable inputs').

The Level 3 investments have been valued at the price of recent investment, Net Asset Value or discounted cashflow based on post period end redemptions in line with the Company's accounting policies and IPEVC guidelines.

18. Capital management

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern, so that it can continue to provide returns for shareholders and to provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

By its nature, the Company has an amount of capital, at least 70% (as measured under the tax legislation) of which is and must be, and remain, invested in the relatively high risk asset class of small UK companies within three years of that capital being subscribed.

The Company accordingly has limited scope to manage its capital structure in the light of changes in economic conditions and the risk characteristics of the underlying assets. Subject to this overall constraint upon changing the capital structure, the Company may adjust the amount of dividends paid to shareholders, return capital to shareholders, issue new shares, or sell assets if so required to maintain a level of liquidity to remain a going concern.

The Board has the opportunity to consider levels of gearing, however, there are no current plans to do so. It regards the net assets of the Company as the Company's capital, as the level of liabilities is small and the management of it is not directly related to managing the return to shareholders. There has been no change in this approach from the previous period.

19. Contingencies, Guarantees and Financial Commitments

There were no commitments, contingencies or guarantees of the Company at the period-end.

20. Controlling Party and Related Party Transactions

In the opinion of the Directors there is no immediate or ultimate controlling party.

The Company has appointed Shore Capital Limited, a company of which Graham Shore is a director, to provide investment management services. During the period £197,000 was due in respect of investment management fees. The balance owing to Shore Capital Limited at the period-end was £67,000.

The Company has appointed Shore Capital Fund Administration Services Limited, a related company to Shore Capital Limited, to provide accounting, secretarial and administrative services. During the period £35,000 was due in respect of these services. The balance owing to Shore Capital Fund Administration Services Limited at the period-end was £12,000.

As detailed in the prospectus of the fund, issue costs of 2% were charged to cover the cost of launching the fund. In July 2010 a payment of £149,000 was made to Shore Capital Ltd in relation to these issue costs.

21. Subsequent events

On 2 February 2011, the Company obtained court orders for a capital reconstruction whereby it cancelled its share premium account. The purpose of the reconstruction was to maximise its distributable reserves in order to afford the company greater flexibility going forward regarding dividends and potential share buy-backs.

Puma High Income VCT plc
Notice of Annual General Meeting

Notice is hereby given that the Annual General Meeting of the Company will be held at Bond Street House, 14 Clifford Street, London W1S 4JU on 6 May 2011 at 10 a.m. for the following purposes:

Ordinary Business

1 To approve and adopt the Accounts for the financial period ended 31 December 2010, together with the reports of the Directors and Auditors thereon.

2 To re-elect Raymond Pierce as a director who retires pursuant to article 116 of the Company's Articles of Association and, being eligible, offers himself for re-election.

3 To re-elect Jonathan Morton-Smith as a director who retires pursuant to article 116 of the Company's Articles of Association and, being eligible, offers himself for re-election.

4 To re-elect Harold Paisner as a director who retires pursuant to article 116 of the Company's Articles of Association and, being eligible, offers himself for re-election.

5 To re-elect Graham Shore as a director who retires pursuant to article 116 of the Company's Articles of Association and, being eligible, offers himself for re-election.

6 To re-appoint Baker Tilly as Auditors of the Company and to authorise the Directors to determine their remuneration.

7 To approve the policy set out in the Remuneration Report in the Annual Report and Accounts 2010.

BY ORDER OF THE BOARD

Eliot Kaye
Company Secretary

Dated: 8 April 2011

Registered Office:
Bond Street House
14 Clifford Street
London
W1S 4JU

Notes:

Information regarding the Annual General Meeting, including the information required by section 311A of the CA 2006, is available from: **www.shorecap.co.uk/puma-vct-information/**.

Notes:

(a) Any member of the Company entitled to attend and vote at the Annual General Meeting is also entitled to appoint one or more proxies to attend, speak and vote instead of that member. A member may appoint more then one proxy in relation to the Annual General Meeting provided that each proxy is appointed to exercise the rights attached to a different share or shares held by that member. A proxy may demand, or join in demanding, a poll. A proxy need not be a member of the Company but must attend the Annual General Meeting in order to represent his appointor. A member entitled to attend and vote at the Annual General Meeting may appoint the Chairman or another person as his proxy although the Chairman will not speak for the member. A member who wishes his proxy to speak for him should appoint his own choice of proxy (not the Chairman) and give instructions directly to that person. If you are not a member of the Company but you have been nominated by a member of the Company to enjoy information rights, you do not have a right to appoint any proxies under the procedures set out in these Notes. Please read Note (h) below. Under section 319A of the CA 2006, the Company must answer any question a member asks relating to the business being dealt with at the Annual General Meeting unless:

- answering the question would interfere unduly with the preparation for the Annual General Meeting or involve the disclosure of confidential information;
- the answer has already been given on a website in the form of an answer to a question; or
- it is undesirable in the interests of the Company or the good order of the Annual General Meeting that the question be answered.

(b) To be valid, a Form of Proxy and the power of attorney or other written authority, if any, under which it is signed or an office or notarially certified copy or a copy certified in accordance with the Powers of Attorney Act 1971 of such power and written authority, must be delivered to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU or electronically at vctproxies@shorecap.co.uk, in each case not less than 48 hours (excluding weekends and public holidays) before the time appointed for holding the Annual General Meeting or adjourned meeting at which the person named in the Form of Proxy proposes to vote. In the case of a poll taken more than 48 hours (excluding weekends and public holidays) after it is demanded, the document(s) must be delivered as aforesaid not less than 24 hours (excluding weekends and public holidays) before the time appointed for taking the poll, or where the poll is taken not more than 48 hours (excluding weekends and public holidays) after it was demanded, be delivered at the meeting at which the demand is made.

(c) In order to revoke a proxy instruction a member will need to inform the Company using one of the following methods:

- by sending a signed hard copy notice clearly stating the intention to revoke the proxy appointment to the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.
- by sending an e-mail to vctproxies@shorecap.co.uk.

In either case, the revocation notice must be received by the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU before the Annual General Meeting or the holding of a poll subsequently thereto. If a member attempts to revoke his or her proxy appointment but the revocation is received after the time specified then, subject to Note (d) directly below, the proxy appointment will remain valid.

(d) Completion and return of a Form of Proxy will not preclude a member of the Company from attending and voting in person. If a member appoints a proxy and that member attends the Annual General Meeting in person, the proxy appointment will automatically be terminated.

Puma High Income VCT plc
Notice of Annual General Meeting continued

(e) Copies of the Directors' Letters of Appointment, the Register of Directors' interests in the Shares of the Company kept and a copy of the current Articles of Association will be available for inspection at the registered office of the Company during usual business hours on any weekday (Saturday and Public Holidays excluded) from the date of this notice, until the end of the Annual General Meeting and at the place of the Annual General Meeting for at least 15 minutes prior to and during the Annual General Meeting.

(f) Pursuant to Regulation 41 of the Uncertificated Securities Regulations 2001, the Company has specified that only those holders of the Company's shares registered on the Register of Members of the Company as at 10 am on 4 May 2011 or, in the event that the Annual General Meeting is adjourned, on the Register of Members 48 hours before the time of any adjourned meeting, shall be entitled to attend and vote at the said Annual General Meeting in respect of such shares registered in their name at the relevant time. Changes to entries on the Register of Members after 10 am on 4 May 2011 or, in the event that the Annual General Meeting is adjourned, on the Register of Members less than 48 hours before the time of any adjourned meeting, shall be disregarded in determining the right of any person to attend and vote at the Annual General Meeting.

(g) As at 8 April 2011, the Company's issued share capital comprised 13,671,872 Ordinary Shares. The total number of voting rights in the Company as at 8 April 2011 is 13,671,872. The website referred to above will include information on the number of shares and voting rights.

(h) If you are a person who has been nominated under section 146 of the CA 2006 to enjoy information rights ("Nominated Person"):

- You may have a right under an agreement between you and the member of the Company who has nominated you to have information rights ("Relevant Member") to be appointed or to have someone else appointed as a proxy for the Annual General Meeting;
- If you either do not have such a right or if you have such a right but do not wish to exercise it, you may have a right under an agreement between you and the Relevant Member to give instructions to the Relevant Member as to the exercise of voting rights;
- Your main point of contact in terms of your investment in the Company remains the Relevant Member (or, perhaps your custodian or broker) and you should continue to contact them (and not the Company) regarding any changes or queries relating to your personal details and your interest in the Company (including any administrative matters). The only exception to this is where the Company expressly requests a response from you.

(i) A corporation which is a member can appoint one or more corporate representatives who may exercise, on its behalf, all its powers as a member provided that no more than one corporate representative exercises powers over the same share.

(j) A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, the proxy will vote or abstain from voting at his or her discretion. The proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Annual General Meeting.

(k) Except as provided above, members who have general queries about the General Meeting should call the Company's registrars, Capita Registrars, PXS, The Registry, 34 Beckenham Road, Beckenham, Kent BR3 4TU on 0871 664 0300 (calls cost 10p per minute plus network extras) (no other methods of communication will be accepted).

(l) Members may not use any electronic address provided either in this notice of Annual General Meeting, or any related documents (including the Chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.

(m) Resolutions 2 – 5: Information about the Directors who are proposed by the Board for re-election at the Annual General Meeting is shown in the Annual Report and Accounts 2010.

Officers and Professional Advisers

Non-Executive Directors
Raymond Pierce (Chairman)
Harold Paisner
Jonathan Morton-Smith
Graham Shore

Secretary
Eliot Kaye

Registered Number
07036487

Registered Office
Bond Street House
14 Clifford Street
London W1S 4JU

Investment Manager
Shore Capital Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Registrar
Capita Registrars
The Registry, 34 Beckenham Road
Beckenham
Kent BR3 4TU

Administrator
Shore Capital Fund Administration
Services Limited
Bond Street House
14 Clifford Street
London W1S 4JU

Auditors
Baker Tilly Audit LLP
Chartered Accountants
25 Farringdon Street
London EC4A 4AB

Sponsors and Solicitors
Howard Kennedy
19 Cavendish Square
London W1A 2AW

Bankers
The Royal Bank of Scotland plc
Western Branch
60 Conduit Street
London W1R 9FD

VCT Tax Advisor
PricewaterhouseCoopers LLP
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