



SHORE CAPITAL



PUMA VCT VII PLC

INTERIM REPORT 2011

For the six months ended 30 June 2011

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Chairman's Statement

Introduction

I am pleased to be presenting to you as Chairman the first interim report for Puma VCT VII plc (the 'Company') for the period to 30 June 2011.

The Company was incorporated in September 2010 and launched its Prospectus in December 2011. It raised over £13.2 million by the time it closed in May 2011, the larger part being in the Spring of 2011. The Investment Manager, Shore Capital Limited, now has approximately £52 million of VCT money under management and a well established, experienced VCT team to manage the Company's deal flow.

Investments

The period under review includes only a short time following completion of the fundraising. The investment manager has reviewed a number of suitable qualifying investments and expects to begin making such investments in the second half of the year. As discussed in the Company's Information Memorandum, it is the investment manager's intention to take advantage of the general financing difficulties continuing to afflict smaller companies thus providing ample opportunity to provide debt at attractive terms. I look forward to reporting the investment manager's developments in the annual report.

Net Asset Value ('NAV')

The NAV per share, the measure by which the net assets of the Company are split equally across the number of shares in

issue, was 94.68p at 30 June 2011. Since the close of the Offer, the larger part of the net proceeds raised have taken advantage of the attractive interest rates on offer on longer term deposits. We envisage the cash yields will enhance returns for investors whilst the cash awaits investment in suitable qualifying companies.

The VCT qualifying rules require the VCT to hold securities rather than cash. Reflecting this, the Investment Manager has invested approximately £5.2 million into a range of bonds, bond funds and absolute return funds. These funds have been affected by the turbulence of markets over the 2 months since 30 June 2011 and this has cost the VCT about 2p per share in NAV, since the end of the half year. However, it is expected that they will generate strong returns in the future and prevent the effect of cash drag on the Company in the long term.

VCT Qualifying Status

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

Principal risks and uncertainties

Continuing uncertainty whilst the UK slowly comes out of recession has meant

Chairman's Statement continued

that markets remain turbulent. Global concerns have impacted UK markets negatively, most notably the increasing concerns over the US deficit and the escalating sovereign wealth crisis in Europe. The consequences of this continued volatility and its affect on the Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of 2011.

Outlook

Since the close of the Offer, 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.

David Buchler

Chairman

31 August 2011

Income Statement (unaudited)

For the six months ended 30 June 2011

		For the period 30 September 2010 to 30 June 2011		
	Note	Revenue £'000	Capital £'000	Total £'000
Gains on investments		–	21	21
Income		31	–	31
		31	21	51
Investment management fees	4	17	51	68
Other expenses		54	–	54
		71	51	122
Return/(loss) on ordinary activities before taxation		(40)	(30)	(70)
Tax on return on ordinary activities		–	–	–
Return/(loss) on ordinary activities after tax attributable to equity shareholders		(40)	(30)	(70)
Basic and diluted				
Loss per Ordinary Share (pence)	2	(0.30)p	(0.22)p	(0.52)p

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

Balance Sheet (unaudited)

As at 30 June 2011

	Note	As at 30 June 2011 £'000
Fixed Assets		
Investments	7	5,237
Current Assets		
Debtors		11
Cash at bank and in hand		7,920
		7,931
Creditors – amounts falling due within one year		(377)
Net Current Assets		7,554
Total Assets less Current Liabilities		12,791
Creditors – amounts falling due after more than one year (including convertible debt)		(1)
Net Assets		12,790
Capital and Reserves		
Called up share capital		135
Share premium account		12,725
Capital reserve – realised		(54)
Capital reserve – unrealised		24
Other reserve		–
Revenue reserve		(40)
Equity Shareholders' Funds		12,790
Net Asset Value per Ordinary Share	3	94.68p
Diluted Net Asset Value per Ordinary Share	3	94.68p

Cash Flow Statement (unaudited)

For the six months ended 30 June 2011

For the period 30 September 2010 to 30 June 2011
£'000

Operating activities

Investment income received	19
Directors Fees paid	(12)
Other cash payments	(6)
Net cash inflow from operating activities	1

Financing

Proceeds received from issue of ordinary share capital	13,135
Net cash inflow from financing	13,135

Capital expenditure and financial investment

Purchase of investments	(5,212)
Transaction costs	(4)
Net cash outflow from capital expenditure and financial investment	(5,216)

Inflow in the period	7,920
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Reconciliation of net cash flow to movement in net funds

Increase in cash for the period	7,920
Net cash at start of the period	–
Net funds at the period end	7,920

Reconciliation of Movements in Shareholders' Funds (unaudited)

For the six months ended 30 June 2011

	Called up share capital £'000	Share premium account £'000	Capital reserve- realised £'000	Capital reserve- unrealised £'000	Revenue reserve £'000	Total £'000
For the period 30 September 2010 to 30 June 2011						
Share issues in the period	135	12,987	–	–	–	13,122
Expenses of share issues	–	(262)	–	–	–	(262)
Total recognised losses for the period	–	–	(54)	24	(40)	(70)
Balance at 30 June 2011	135	12,725	(54)	24	(40)	12,790

Notes to the Interim Report

For the six months ended 30 June 2011

1. Accounting Policies

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

2. Return per Ordinary Share

The total loss per share of 0.52p is based on the loss for the period of £70,000 and the weighted average number of shares in issue as at 30 June 2011 of 13,508,925 calculated from the date of the first receipt of proceeds from the issue of ordinary share capital.

3. Net asset value per share

Period	Net assets	Shares in issue	Net Asset Value per share	
			Basic	Diluted
30 June 2011	£12,790,000	13,508,925	94.68p	94.68p

4. Management fees

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

5. Related Party Transactions

The Company has appointed Shore Capital Limited, a company of which Graham Shore is a director, to provide investment management services. During the period £68,000 was due in respect of investment management fees. The total of this balance was outstanding as at the period end.

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 £12,000 was due in respect of investment management fees. The total of this balance was outstanding as at the period end.

6. The financial information for the period ended 30 June 2011 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The interim financial statements have been prepared on the same basis as will be used to prepare the annual financial statements.

Notes to the Interim Report continued

For the six months ended 30 June 2011

7. Investment portfolio summary

As at 30 June 2011	Valuation £'000	Cost £'000	Gain/ (loss)	Valuation as a % of Net Assets
Non-qualifying investments				
BlueBay Macro Fund Limited	637	556	81	5%
Puma Absolute Return Fund Limited	1,250	1,260	(10)	10%
GLG European Alpha Fund	550	552	(2)	4%
Investec Global Special Situations Fund	192	191	1	2%
Jupiter Strategic Bond Fund	261	266	(5)	2%
Legal & General Dynamic Bond Trust	643	659	(16)	5%
Pimco Hedged Income Fund	649	658	(9)	5%
Pimco Unconstrained Bond Fund	476	476	–	4%
Schroders Unit Trust Income Maximiser	365	380	(15)	3%
Threadneedle High Yield Bond	214	215	(1)	2%
Total investments	5,237	5,213	(24)	41%
Balance of portfolio	7,555	7,555		59%
Net Assets	12,792	12,768	(24)	100%

Officers and Professional Advisers

Directors

David Buchler (Chairman)
Peter Hewitt
Graham Shore

Secretary

Eliot Kaye

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