Shore Capital

PUMA VCT V PLC

INTERIM REPORT 2009

VCT V 09

Contents

Chairman's Statement

Highlights

- Undiluted net asset value per share of 100.04p. This represents a 2.3% increase from the year end (adding back the 2008 final dividend of 1 pence paid on 5 June 2009).
- Fully diluted net asset value of 99.83p, an increase of 2.1%.
- First qualifying investment made in the period.
- Significant gains made on the non qualifying portfolio capitalising on a recovering market.

Introduction

During the six months to 30 June 2009 the Company has utilised some of its significant cash reserves, investing approximately £3.4 million since the year end. Following the cautious approach which protected the Company from the general market downturn in 2008, the Investment Manager has taken advantage of opportunities presented as the markets have shown signs of recovery. The Company's net asset value grew by 2.3% during the period, before accrued performance fees and dividends paid. This was accomplished predominantly from the non-qualifying portfolio.

Although only one qualifying investment was made in the period we believe that the Company is well positioned to exploit the opportunities which we expect will continue to emerge as a result of tight credit markets.

Net Asset Value ('NAV')

2009 has begun well with the Company's net asset value up 2.3% (adding back the 2008 final dividend of 1 pence paid on 5 June 2009) to 100.04p. The diluted net asset value is up 2.1% to 99.83p after accruing for potential performance fees. The increase is largely due to the Investment Manager's focus on corporate bonds and bond funds and other listed equity investments.

Qualifying investments

During the period a total of £250,000 was invested into Bond Contracting Limited ("Bond"). This was a loan stock investment made alongside the other Puma VCTs. Bond has a master development contract and is making significant progress in constructing a 141 bed hotel on the outskirts of Winchester. It is expected that this construction project will complete in the current year and that the hotel will be operational in early 2010.

Non-qualifying investments

The non-qualifying portfolio has performed well in the first 6 months of this year, capitalising upon the signs of recovery shown by the market. The unrealised market value of this portfolio was £2,595,000 at the period end against an underlying book cost of £2,445,000.

During the period three non-qualifying investments were realised, generating a gain of £83,000 on a cost of £435,000. In addition

Chairman's Statement continued

to these gains, the non-qualifying portfolio has generated £14,000 in bond interest and dividends during the period.

Results and dividends

The total return after tax for the period was £154,000. This generated an earnings per share of 2.06p, comprising a revenue loss of (0.04)p and a capital return of 2.10p. As set-out in the accounts for the period ended 31 December 2008, a dividend of 1p per ordinary share was declared during the period and paid on 5 June 2009. Your Board is not proposing a dividend in relation to this interim period but reiterates the intention to distribute a large element of the available income and, if appropriate, realise capital gains when possible.

VCT Qualifying Status

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

Principal risks and uncertainties

The UK economy is currently in recession and, although the markets have shown some recovery so far this year, there is a risk of further market turmoil. The consequences of this for our investment portfolio constitute the principal risk and uncertainty for the Company in the second half of the year.

Outlook

The fall-out from tighter credit conditions is presenting more attractive opportunities to Puma VCT V plc as credit spreads of solid, profitable companies widen resulting in attractive yields. The Investment Manager is currently exploring several interesting qualifying investment opportunities with the intention of the Company investing into these individually and also alongside the Puma VCTs. The existing non-qualifying portfolio continues to perform well with a further realisation since the period end, generating a gain of £47,000 on a cost of £501,000, and the unrealised market values of this portfolio continue to rise. The Investment Manager continues to take advantage of the recovering market whilst maintaining a conservative approach to minimise the risk of any further market downturn.

We remain cautious about the state of the economy and the duration of the current recession. The values of most types of asset already reflect the prospects for a long recession and with the reluctance or inability of banks to advance new credit, the environment remains challenging. With significant cash reserves and a cautious investment approach the Company is well placed to see out the recession and to exploit the opportunities which we expect will emerge as a result of these market conditions.

David Vaughan
Chairman

28 August 2009

Income Statement (unaudited)

For the six months ended 30 June 2009

		Six months ended 30 June 2009			For the period 3 December 2007 to 30 June 2008			Period ended 31 December 2008		
	Note	**Revenue £'000**	**Capital £'000**	**Total £'000**	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments		**–**	**232**	**232**	–	–	–	–	–	–
Income		**59**	**–**	**59**	102	–	102	263	–	263
		59	**232**	**291**	102	–	102	263	–	263
Investment management fees	4	**19**	**56**	**75**	11	32	43	29	88	117
Performance fees		**–**	**19**	**19**	9	(9)	–	–	–	–
Other expenses		**43**	**–**	**43**	29	–	29	74	–	74
		62	**75**	**137**	49	23	72	103	88	191
(Loss)/return on ordinary activities before taxation		**(3)**	**157**	**154**	53	(23)	30	160	(88)	72
Tax on return on ordinary activities		**–**	**–**	**–**	(12)	6	(6)	(34)	17	(17)
(Loss)/return on ordinary activities after tax attributable to equity shareholders		**(3)**	**157**	**154**	41	(17)	24	126	(71)	55
Basic and diluted (Loss)/return per Ordinary Share (pence)	2	**(0.04)p**	**2.10p**	**2.06p**	0.73p	(0.29)p	0.44p	2.34p	(1.32)p	1.02p

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 2009

	Note	**As at 30 June 2009 £'000**	As at 30 June 2008 £'000	As at 31 December 2008 £'000
Fixed Assets				
Investments	7	**2,845**	–	–
Current Assets				
Debtors		**265**	1	46
Cash		**4,401**	7,427	7,433
		4,666	7,428	7,479
Creditors – amounts falling due within one year		**(34)**	(79)	(99)
Net Current Assets		**4,632**	7,349	7,380
Total Assets less Current Liabilities		**7,477**	7,349	7,380
Creditors – amounts falling due after more than one year (including convertible debt)		**(1)**	(1)	(1)
Net Assets		**7,476**	7,348	7,379
Capital and Reserves				
Called up share capital		**75**	75	75
Share premium account		**7,249**	7,249	7,249
Capital reserve – realised		**(47)**	(26)	(71)
Capital reserve – unrealised		**132**	9	–
Other reserve		**19**	–	–
Revenue reserve		**48**	41	126
Equity Shareholders' Funds		**7,476**	7,348	7,379
Net Asset Value per Ordinary Share	3	**100.04p**	98.34p	98.74p
Diluted Net Asset Value per Ordinary Share	3	**99.83p**	98.34p	98.74p

Cash Flow Statement (unaudited)

For the six months ended 30 June 2009

	Six months ended 30 June 2009 £'000	For the period 3 December 2007 to 30 June 2008 £'000	Period ended 31 December 2008 £'000
Operating activities			
Investment income received	**95**	101	219
Investment management fees paid	**(108)**	–	(80)
Cash paid to directors	**(17)**	–	(17)
Other cash payments	**(51)**	1	(26)
Net cash (outflow)/inflow from operating activities	**(81)**	102	96
Equity dividend paid	**(75)**	–	–
Capital expenditure and financial investment			
Proceeds received from issue of ordinary share capital	**–**	7,473	7,473
Expenses paid for issue of share capital	**–**	(149)	(149)
Proceeds received from issue of redeemable preference shares	**–**	50	13
Redemption of redeemable preference shares	**(13)**	(50)	–
Proceeds received from convertible loan notes	**–**	1	–
Purchase of investments	**(3,376)**	–	–
Proceeds from sale of investments	**513**	–	–
Net cash (outflow)/inflow from capital expenditure and financial investment	**(2,876)**	7,325	7,337
Management of liquid resources	**–**	(7,022)	–
(Decrease)/increase in cash	**(3,032)**	405	7,433
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash for the period	**(3,032)**	405	7,433
Increase in liquid resources for the year	**–**	7,022	–
Net cash at start of the period	**7,433**	–	–
Net funds at the period end	**4,401**	7,427	7,433

Reconciliation of Movements in Shareholders' Funds (unaudited) For the six months ended 30 June 2009

	Called up share capital £'000	Share premium account £'000	Capital reserve-realised £'000	Capital reserve-unrealised £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
			Six months ended 30 June 2009				
Balance at 1 January 2009	**75**	**7,249**	**(71)**	**–**	**–**	**126**	**7,379**
Total recognised (losses)/gains for the period	**–**	**–**	**24**	**132**	**19**	**(3)**	**172**
Dividends paid	**–**	**–**	**–**	**–**	**–**	**(75)**	**(75)**
Balance at 30 June 2009	**75**	**7,249**	**(47)**	**132**	**19**	**48**	**7,476**
			For the period 3 December 2007 to 30 June 2008				
Share issues in the period	75	7,398	–	–	–	–	7,473
Expenses of share issues	–	(149)	–	–	–	–	(149)
Total recognised (losses)/gains for the period	–	–	(26)	9	–	41	24
Balance at 30 June 2008	75	7,249	(26)	9	–	41	7,348
			For the period ended 31 December 2008				
Share issues in the period	75	7,398	–	–	–	–	7,473
Expenses of share issues	–	(149)	–	–	–	–	(149)
Total recognised (losses)/gains for the period	–	–	(71)	–	–	126	55
Balance at 31 December 2008	75	7,249	(71)	–	–	126	7,379

Notes to the Interim Report

For the six months ended 30 June 2009

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" ("SORP") December 2005. Although this SORP principally applies to Investment Trusts, many of the characteristics of Investment Trusts are shared by VCTs therefore the Company will continue to follow the SORP until investment company status is revoked.

2. Return per Ordinary Share

The total return per share of 2.06p (30 June 2008 – 0.44p) is based on the profit for the period of £154,000 (30 June 2008 – £24,000) and the weighted average number of shares in issue as at 30 June 2009 of 7,472,812 (30 June 2008 – 5,679,225).

3. Net asset value per share

			Net Asset Value per share	
Period	Net assets	Shares in issue	Basic	Diluted
30 June 2009	**£7,476,000**	**7,472,812**	**100.04p**	**99.83p**
31 December 2008	£7,379,000	7,472,812	98.74p	98.74p
30 June 2008	£7,348,000	7,472,812	98.34p	98.34p

4. Management fees

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

5. Related Party Transactions

Related party transactions are described the 2008 Annual Report and Accounts on page 24. There were no other related party transactions during the 6 months ended 30 June 2009.

6. The financial information for the six months ended 30 June 2009 and 30 June 2008 has not been audited and does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The financial information for the period ended 31 December 2008 has been extracted from the company's full financial statements for the period then ended that have been delivered to the Registrar of Companies, and on which the report of the Auditors was unqualified. The interim financial statements have been prepared on the same basis as the annual financial statements.

Notes to the Interim Report continued

For the six months ended 30 June 2009

7. Investment portfolio summary

As at 30 June 2009	Cost £'000	Valuation £'000	Valuation Gain/ (loss)	as a % of Net Assets
Qualifying investment – unquoted				
Bond Contracting Limited	250	250	–	3%
Total qualifying investments	**250**	**250**	**–**	**3%**
Non-qualifying investments				
Anglo American Bonds	237	236	(1)	3%
Artemis Strategic Bonds	251	279	28	4%
Brevan Howard Macro	249	250	1	3%
British American Tobacco	152	159	7	2%
Cazenove Strategic Bonds	501	547	46	7%
Glaxosmithkline	152	160	8	2%
Jupiter Strategic Bonds	251	284	33	4%
M&G Securities Ltd	501	535	34	7%
Vodafone Group	151	145	(6)	2%
Total non-qualifying investments	**2,445**	**2,595**	**150**	**35%**
Total investments	**2,695**	**2,845**	**150**	**38%**
Balance of portfolio	**4,631**	**4,631**	**–**	**62%**
Net Assets	**7,326**	**7,476**	**150**	**100%**

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