



SHORE CAPITAL



PUMA VCT V PLC

ANNUAL REPORT & ACCOUNTS 2009

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Chairman's Statement

Highlights

- Fully diluted net asset value per share of 102.7p at the year end. 2009 total return (including 1p dividend) of 5.0 per cent
- Final dividend proposed of 1p per Ordinary Share
- Top performing VCT of its peer group

Introduction

I am pleased to present the Company's second Annual Report which is for the year ended 31 December 2009.

Following the global financial crisis of 2008, 2009 was a year of deep recession. In this difficult economic and financial climate the Company grew its NAV by 5.0 per cent in 2009 (including the 2008 final dividend of 1 pence per Ordinary Share paid on 5th June 2009). The Company benefited from the merits of the cautious approach adopted by the Investment Manager and the Board. At the year end the Company had the highest total return of all VCTs launched in the 2007/2008 tax year.

Qualifying venture capital investments

During the period the Company invested £250,000 into Bond Contracting Limited which held a master development contract to construct a 141 bed hotel on the outskirts of Winchester. This holding was successfully realised in January 2010, generating the return which had been expected on investment.

Together with Puma VCT III plc and Puma VCT IV plc the Company also invested £1 million into Heddon Services Limited ("Heddon"), an internet advertising business, as part of a £3 million investment round. On 23 December 2009, Heddon was acquired by Forward Internet Group Limited (formerly TrafficBroker Limited) ("Forward"), a London based internet search engine specialist. The Company received shares and secured loan notes in Forward in consideration for the securities it held in Heddon.

Non-qualifying investments

The non-qualifying portfolio has performed well this year as markets have started to recover. The unrealised market value of this portfolio was £3,266,000 against an underlying book cost of £2,850,000.

During the year five investments from the non-qualifying portfolio were realised generating a gain of £46,000 over a total cost of £1,193,000. In addition to these gains, the non-qualifying portfolio has generated £173,000 in bond interest and dividends during the period.

Results

The total return after tax for the year was £369,000. This generated a return per share of 4.94p. The Board proposes a final revenue dividend of 1p per Ordinary Share for the year. The ex-dividend date will be 12 May 2010 and the record date 14 May 2010. Payment will be to shareholders on 30 June 2010.

Investments following the year end

Since the year end the Company has made three additional non-qualifying investments in liquid, absolute return focused funds, totalling £641,000.

Outlook

The existing non-qualifying portfolio continues to perform well and generated significant growth in net assets since the year end. The focus on bonds and bond funds combined with a selection of listed equity investments and hedge funds has continued to generate a good return whilst exposing the Company to controlled risk. The Board currently intends to continue

Chairman's Statement continued



The Holiday Inn hotel in Winchester, Bond Contracting Limited.

this cautious and targeted focus with the aim of generating returns throughout 2010 from this portfolio whilst seeking out new qualifying opportunities.

The Investment Manager continues to consider a range of qualifying opportunities in order to meet the target of holding 70% of the Company's assets in qualifying ventures by the end of the third fiscal year.

The economy has recovered modestly so far in 2010 and the risk of a double-dip recession in the UK is considerable. Given the likely slow recovery the Investment Manager is seeking new qualifying opportunities suitable for this cautious outlook. The

banks remain reluctant to advance new credit although many companies, having weathered the storm, are now looking to grow their business. The Company is strongly positioned to offer mezzanine financing to such companies.

David Vaughan
Chairman

28 April 2010

Investment Manager's Report

Overall Performance

This is the Company's second year in existence and since its launch it has endured some of the worst economic conditions in a generation. However, the conservative investment strategy set out in the Prospectus has enabled the fund to avoid most of the downside in the markets seen in late 2008 and early 2009 and allowed it to participate in the subsequent market rally. More importantly, recent improvements in the economy have created a better environment to invest into new qualifying ventures and further provided support for the existing portfolio.

Qualifying Investments

During 2009, the Investment Manager and the Board considered a number of opportunities for the Company's qualifying portfolio. Once it appeared the worst of the economic news was over, the Company made two qualifying investments.

The Company invested £250,000 into Bond Contracting Limited, a company in which our other VCTs under management had already invested. (Given the conflict of interest, this decision was made by the Board.) This investment provided mezzanine financing to the company as it completed the final stages of its contract to build a hotel on the outskirts of Winchester. The Company realised its full investment subsequent to year-end, with a total return of 7 per cent achieved in just over nine months. This is equivalent to an annualised return of 8.4 per cent.

The Company also invested £1 million into Heddon Services Limited (Heddon) in a joint investment with other Puma VCTs managed by Shore Capital Limited. Heddon was purchased by Traffic Broker Limited (now Forward Internet Group Limited) in exchange for loan notes and equity valued in Forward Internet Group Limited at £1 million. The investment is largely in the form of secured debt and is expected to produce a return of about 8 per cent.

The Company needs to invest at least 70% of its assets into qualifying ventures by the end of its third fiscal year. We continue to review investment opportunities in order to meet this target in the most effective way.

Non-Qualifying Investments

During the year, the Company invested in corporate bonds and liquid bond funds to take advantage of the attractive yields on offer. All the bonds held directly have redemption dates or are currently liquid enough to allow exit within the Company's five year investment horizon. The company also invested in some large cap, high yielding equities which appeared to have been oversold at the end of the first quarter of 2009.

We have taken profit on some of the equities and bonds but retain those which we believe continue to provide some medium term growth whilst generating an attractive yield, a considerable multiple of the return from bank deposits.

Outlook

We believe that the Company is well positioned in the year ahead to seek qualifying and non-qualifying opportunities which we expect will emerge as the economy continues to recover. In the past, small businesses have often struggled in the first few quarters coming out of recession. It is at this time that cash flow remains constrained, but there is the opportunity to return to growth. Companies seeking secured mezzanine financing in 2010 will struggle to find available credit and as a result of this we expect to see increasing deal flow to invest in robust companies on realistic terms. This will enable the Company to make attractive qualifying investments to fulfil its 70% target. As a result, we look forward with expectation to the coming year.

Shore Capital Limited

28 April 2010

Investment Portfolio Summary

As at 31 December 2009

Investment	Valuation £'000	Original Cost £'000	Gain/(Loss) £'000	Valuation as % of NAV	
Qualifying Investments - Unquoted					
Bond Contracting Limited	250	250	–	3%	
Forward Internet Group Limited (formerly Traffic Broker Limited)	1,000	1,000	–	13%	
Total Qualifying Investments	1,250	1,250	–	16%	
Non - Qualifying Investments - Quoted					
Anglo American Capital PLC bond	239	237	2	3%	
Artemis Strategic Bond Fund	***	324	251	73	4%
Brevan Howard Macro Limited	287	249	38	4%	
Cazenove Strategic Bond Fund	***	603	501	102	8%
Cazenove Absolute UK Dynamic Fund	***	268	251	17	3%
Glaxosmithkline PLC	198	152	46	3%	
HBOS Capital Funding LP bond	**	121	109	12	2%
Jupiter Strategic Bond	***	335	250	85	4%
Puma Absolute Return Fund Limited	*	712	700	12	9%
Vodafone Group PLC	179	150	29	2%	
Total Non - Qualifying Investments	3,266	2,850	416	42%	
Total investments	4,516	4,100	416	58%	
Cash at bank	3,174	3,174		41%	
Net current assets	52	52		1%	
Net assets	7,742	7,326	416	100%	

Of the investments held at 31 December 2009, 72 per cent are incorporated in England and Wales, 22 per cent in the Cayman Islands and 6 per cent the rest of the world. Percentages have been calculated on the valuation of the assets at the reporting date.

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

- * Listed on the Irish Stock Exchange
- ** Listed on the Luxembourg Stock Exchange
- *** Traded directly through investment manager of the investee fund

A detailed analysis of the loan stock holdings is provided in note 18 on page 34.

At the year end the Company held £712,000 (3.4%) of Class B units of the Puma Absolute Return Fund Limited (PARF). The Investment Manager of PARF is also Shore Capital Ltd. The Company receives a full rebate of management and performance fees charged through PARF to avoid the double charging of fees.

Bond Contracting Limited is majority owned by VCTs managed by Shore Capital Limited. Graham Shore is a Director of all of these companies.

Significant Investments

Bond Contracting Limited

Cost (£'000):	250	Source of financial data - Last filed accounts:	30/04/09
Investment comprises:		Turnover (£'000):	4,454
Ordinary shares (£'000):	25	Loss before tax (£'000):	(132)
Debt (£'000):	225	Retained loss (£'000):	(132)
Valuation method:	Price of recent investment	Net assets (£'000):	1,773
Valuation (£'000):	250	Earnings per share (p)	(0.00)
Income received by the Company from this holding in the year (£'000):	9	Dividends per share (p)	–
		Proportion of equity held:	1%
		Equity managed by Shore Capital Ltd	60%

Bond Contracting Limited (Bond) entered into a contract to construct a 141 bedroom hotel near Winchester. Having secured planning permission construction began in October 2008 and was completed in the first quarter of 2010. This holding was fully realised in January 2010.

Forward Internet Group Limited (formerly Traffic Broker Limited)

Cost (£'000):	1,000	Source of financial data - Last filed accounts:	31/07/08
Investment comprises:		Turnover (£'000):	5,685
Ordinary shares (£'000):	200	Profit before tax (£'000):	1,691
Debt (£'000):	800	Retained Profit (£'000):	1,248
Valuation method:	Price of recent investment	Net assets (£'000):	2,898
Valuation (£'000):	1,000	Earnings per share (p)	1.4
Income received by the Company from this holding in the year (£'000):	2	Dividends per share (p)	–
		Proportion of equity held:	4%
		Equity managed by Shore Capital Ltd	18%

Forward Internet Group Limited (formerly Traffic Broker Limited) is an agency specialising in paid online search and affiliate marketing. The company has grown to become an award-winning agency specialising in fully integrated online solutions and continues to innovate in the online advertising space.

Significant Investments continued

Puma Absolute Return Fund Limited

Cost (£'000):	700	Source of financial data – Last filed accounts:	30/04/09
Investment comprises:		Turnover (\$'000):	(20,787)
Ordinary shares (£'000):	700	Profit before tax (\$'000):	(21,694)
Debt (£'000):	–	Retained Profit (\$'000):	(21,694)
Valuation method:	NAV per share	Net assets (\$'000):	30,630
Valuation (£'000):	712	Earnings per share (p)	n/a
Income received by the Company from this holding in the year (£'000):	–	Dividends per share (p)	–
		Proportion of equity held:	3%
		Equity managed by Shore Capital Ltd	20%

Puma Absolute Return Fund Limited (PARF) is an absolute return fund of funds, investing across a range of third party investment managers. It diversifies its portfolio across a number of different investment styles.

Cazenove Strategic Bond Fund

Cost (£'000):	501	Source of financial data – Last filed accounts:	31/12/09
Investment comprises:		Turnover (£'000):	39,015
Ordinary shares (£'000):	603	Profit before tax (£'000):	13,237
Debt (£'000):	–	Retained Profit (£'000):	13,237
Valuation method:	Bid Market price	Net assets (£'000):	315,200
Valuation (£'000):	603	Earnings per share (p)	n/a
Income received by the Company from this holding in the year (£'000):	14	Dividends per share (p)	–
		Proportion of equity held:	0%
		Equity managed by Shore Capital Ltd	0%

The Cazenove Strategic Bond Fund aims to generate a total return above Sterling cash interest rates, primarily through a flexible allocation to investment grade bonds, non-investment grade bonds and derivative instruments.

Directors' Biographies

David Vaughan (Chairman) (55)

David was formerly a managing director at the Royal Bank of Scotland, where he had responsibility for banking relationships to the media sector in the UK for its global banking markets division. During his career he held a range of other senior appointments in the bank and has a broad range of experience in the supply of credit to companies of all sizes. He holds qualifications from the Securities Institute in corporate finance and the Chartered Institute of Banking. David is a non-executive director of Music Sales Group Limited.

Stephen Hazell-Smith (56)

Stephen is a UK institutional fund manager by background, including the founder and managing director of Rutherford Asset Management Limited where he created a number of highly successful smaller company investment vehicles, including Herald Investment Trust and Beacon Investment Trust. In 1997 he sold Rutherford Asset Management Limited to Close Brothers Group and joined Close Investment Limited as managing director, where he was responsible for launching Close Brothers AIM VCT plc. He is a director of Close Brothers AIM VCT plc and Chairman of Phoenix VCT plc.

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.

Officers and Professional Advisers

Non-Executive Directors

David Vaughan (Chairman)
Stephen Hazell-Smith
Graham Shore

Secretary

Eliot Kaye

Registered Number

06443253

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

SLC Registrars
Thames House, Portsmouth Road
Esher
Surrey KT10 9AD

Administrator

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

Auditor

Baker Tilly UK Audit LLP
2 Bloomsbury Street
London WC1B 3ST

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
1 Embankment Place
London WC2N 6RH

Custodians

Pershing Securities Limited
Capstan House
One Clove Crescent, East India Dock
London E14 2BH

Report of the Directors

The Directors present their annual report and the audited financial statements of the Company for the year ended 31 December 2009.

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 s274 of the Income Tax Act 2007 as a Venture Capital Trust for the year ended 31 December 2009. The Directors have managed, and continue to manage, the Company's affairs in such a manner as to comply with the provisions of s274 of the Income Tax 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 7 July 2008.

Investment Policy

Puma VCT V plc seeks to achieve its overall investment objective of maximising 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.

The Company may invest in a mix of qualifying and non-qualifying assets. The qualifying investments may be quoted on AiM/PLUS 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. After 31 December 2010, the Company must have in excess of 70% of its assets invested in qualifying investments as defined for VCT purposes.

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.

It is the Directors' opinion that the continued appointment of Shore Capital Limited as Investment Manager 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, currently manages over £65 million of VCT funds and has a strong network within the industry.

A full text of the Company's investment policy can be found within the Company's prospectus.

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, foreign currency risk and liquidity risk. An explanation of these risks and how they are managed is contained in note 18 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 year 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 the 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.

Risk Management

The Company's asset mix may include a large proportion of the Company's assets to be 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 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; and
- 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.

Results and dividends

The results for the financial year are set out on page 18. The Directors propose a final dividend of 1p per Ordinary Share

Report of the Directors continued

for the year. 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.

Review of Business Activities

The Directors are required by s417 of the Companies Act 2006 to include a Business Review to shareholders. The Company's business review and developments are set out in the Chairman's Statement and the Investment Manager's Report on pages 1 to 3.

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.

Performance and Key Performance Indicators

The Company's objective is to provide shareholders with an attractive income and capital return by investing its funds in a broad spread of unquoted UK companies which meet the relevant VCT criteria. The Board has a number of performance measures to assess the Company's success in meeting its objectives. Performance, measured by the change in NAV and total return per share, is also measured against the FTSE All-Share index. This is shown in the graph on page 13 of the Directors' Remuneration Report. This index has been adopted as an informal benchmark. Investment performance, cash returned to shareholders and share price are also measured against the Company's peer group of other comparable VCT funds.

The Chairman's Statement, on pages 1 and 2, includes a review of the Company's activities and future prospects; further details are also provided within the Investment Manager's Review on page 3.

Issue of shares

During the year ended 31 December 2009, the Company issued no new shares.

The authorised and issued share capital of the Company is detailed in note 13 of these accounts.

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.

Directors

The Directors of the Company during the year and their beneficial interests in the issued ordinary shares of the Company were as follows:

	1p ordinary shares 31 December 2009	1p ordinary shares 1 January 2009
David Vaughan (Chairman)	15,000	15,000
Stephen Hazell-Smith	15,000	15,000
Graham Shore	200,000	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 year end.

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

Brief biographical notes on the directors are given on page 7.

Investment management, administration and performance fees

Shore Capital Limited (Shore Capital) is the Investment Manager to the Company. The principal terms of the Company's management agreement with Shore Capital Limited as applicable during the year ended 31 December 2009, are set out in note 3 of the financial statements.

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 at each quarter end, payable quarterly in arrears.

The annual running costs of the Company, for the year, are subject to a cap of 3.5 per cent of the Company's net assets at the year 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 future performance fees, if any, will be expensed in accordance with FRS 20 for share based payments.

VCT status monitoring

The Company has retained PricewaterhouseCoopers LLP to advise it on compliance with VCT regulatory 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.

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 2009 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 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.

Financial Instruments

The material risks arising from the Company's financial instruments are interest rate risks and credit risks. The Board reviews and agrees policies for managing each of these risks and these are summarised in note 18. 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 2009 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.

Annual General Meeting

The Annual General Meeting of the Company will be held at Bond Street House, 14 Clifford Street, London, W1S 4JU on 9 June 2010. 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.

Company law 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.

Report of the Directors continued

Each of the directors, whose names and functions are listed in the Directors Biography on page 8 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.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the company's website.

Legislation in the United Kingdom governing the preparation and dissemination of 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 includes information required by the Listing Rules of the Financial Services Authority.

By order of the Board

Eliot Kaye
Company Secretary
28 April 2010

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 9 June 2010.

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 caliber to be recruited. Directors' fees payable during the year totaled £33,000 as set out in note 5.

The ordinary remuneration of the Directors shall be such amount as the Directors shall from time to time determine (provided that unless otherwise approved by the Company in general meeting the aggregate ordinary remuneration of such Directors, including fees from the Company, shall not exceed £50,000 per year) to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable 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.

Any Director who, by request of the Directors, performs special services for any purposes of the Company may be paid such reasonable extra remuneration as the Directors may determine.

The Directors contracts are discussed in point g) in the Corporate Governance Statement on page 16.

Directors' Remuneration

The Directors received emoluments as detailed below:

	Unaudited Current Annual Fee 12 months £	Audited 2009 12 months £	Audited 2008 9 months £
David Vaughan (Chairman)	18,000	18,000	13,500
Stephen Hazell-Smith	15,000	15,000	11,250
Graham Shore *	—	—	—
	33,000	33,000	24,750

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

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

The Chairman, David Vaughan, entered into an agreement on 17 November 2008 with Shore Capital Limited, the Company's Investment Manager. The contract provided; (1) that he should receive £2,000 per month from Shore Capital Limited for introductory services for a period of four

months ending on 17 March 2009; (2) and an introductory commission upon the successful completion of an investment by any fund which Shore Capital manages (excluding Puma VCT V plc). The introductory commission is 0.50% of the investment value if such investment is introduced by him. The agreement is subject to one month's written notice by either party. The Directors consider David Vaughan to be independent as the agreement is for making introductions, not for providing advice, and because of the limited value of the payments. Introduced investments will be subject to full due diligence by Shore Capital Limited. There have been no investments made on which this commission has been payable and this agreement has now ended.

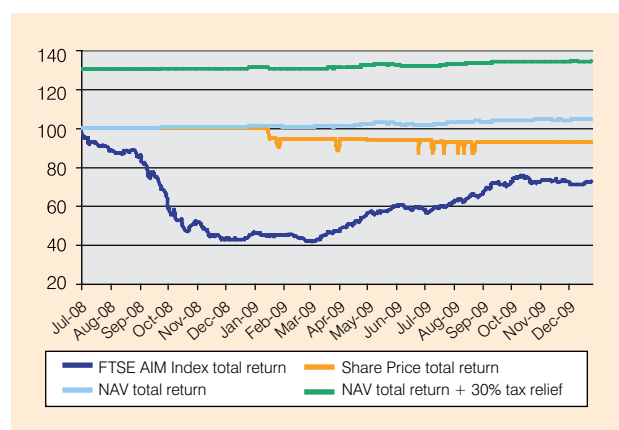
2010 Remuneration

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.

Performance Graph

The following chart represents the Company's performance from inception to 31 December 2009 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 to be held by the Company. This has been rebased to 100 at 7 July 2008, the listing date of the Company.



On behalf of the Board

David Vaughan

Chairman

28 April 2010

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.

The Board

The Company has a Board comprising three Directors, all of which are non-executive. All of the Directors are independent as defined by the Combined Code issued in June 2008 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 David Vaughan as the senior independent Director. The Chairman is David Vaughan. Biographical details of all Board members are shown on page 7.

David Vaughan is to retire at the forthcoming Annual General Meeting and, being eligible, offer himself for re-election. The remainder of the Board believe that David has made a valuable contribution since his appointment and remains committed to his role. The Board therefore recommends that shareholders re-elect David Vaughan at the forthcoming AGM. The Board did not use an external search consultant to search for candidates or advertise this position.

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 year were as follows:

Scheduled Board meetings

D Vaughan	4/4
S Hazell-Smith	4/4
G B Shore	4/4

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 a majority of the board are non-executive Directors. Appointments of new Directors, audit matters and remuneration are dealt with by the full Board.

During the year 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 year. Details of the specific levels of remuneration to each director are set out in the Directors' Remuneration Report on page 13, and this is subject to shareholder approval.

Relations with shareholders

Shareholders have the opportunity to meet representatives of the Investment Manager 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 major 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 11, and a statement by the auditors about their reporting responsibilities is set out in the Auditors Report on page 17.

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 retains physical custody of the documents of title relating to unquoted investments. 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 year 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 Manager. The VCT is subject to a full annual audit whereby the auditors are the same auditors as other VCTs managed by the Investment Manager and thus controls are tested on a frequent basis. Further to this, the Audit Partner has open access to the Directors of the VCT and 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.

Compliance statement

The Listing Rules require the Board to report on compliance with the forty-eight Combined Code provisions throughout the accounting year. With the exception of the items outlined below, the Company has complied throughout the accounting year ended 31 December 2009 with the provisions set out in Section 1 of the Combined Code. Due to the special nature of the Company, the following provisions of the Combined Code have not been complied with:

- 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.
- Provision A3-3 – Due to the size of the board, the role of Chairman and senior independent Director are both performed by David Vaughan. The recommendation is for the senior independent Director and Chairman to be separate positions on the Board.
- 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.
- 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.
- 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 board consists of a majority of non-executive Directors as recommended by C3-1

Corporate Governance Statement continued

of the Combined Code. 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 year there have been no

changes to the Board of the Directors and the Directors remuneration remains unchanged.

- g) Provision A7-2 - On 17 January 2008, 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.

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

We have audited the financial statements on pages 18 to 35. 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 auditors

As more fully explained in the Directors' Responsibilities Statement set out on page 11, 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 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/UKP.

Opinion on the 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 2009 and of its result for the year 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; and
- the information given in the Report of the Directors' for the financial year for which the financial statements are prepared is consistent with the financial statements.

- the information given in the Corporate Governance Statement set out on pages 14 to 16 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 process 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 11, in relation to going concern; and
- the part of the Corporate Governance Statement on pages 14 to 16 relating to the company's compliance with the nine provisions of the June 2008 Combined Code specified for our review.

Richard White (Senior Statutory Auditor)

For and on behalf of
BAKER TILLY UK AUDIT LLP, Statutory Auditor
Chartered Accountants
2 Bloomsbury Street
London WC1B 3ST

28 April 2010

Income Statement

For the year ended 31 December 2009

	Note	Year ended 31 December 2009			For the period to 31 December 2008		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains on investments	9 (c)	–	447	447	–	–	–
Income	2	242	–	242	263	–	263
		242	447	689	263	–	263
Investment management fees	3	37	110	147	29	88	117
Performance fees	4	17	52	69	–	–	–
Other expenses	5	106	–	106	74	–	74
		160	162	322	103	88	191
Return/(loss) on ordinary activities before taxation		82	285	367	160	(88)	72
Tax on ordinary activities	6	2	–	2	(34)	17	(17)
Return/(loss) after taxation attributable to equity shareholders		84	285	369	126	(71)	55
Basic and diluted return/(loss) per Ordinary Share (pence)	7	1.12p	3.82p	4.94p	2.34p	(1.32)p	1.02p

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 year.

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 22 to 35 are an integral part of the financial statements.

Balance Sheet

As at 31 December 2009

	Note	As at 31 December 2009 £'000	As at 31 December 2008 £'000
Fixed Assets			
Investments	9	4,516	–
Current Assets			
Debtors	10	122	46
Cash at bank and in hand		3,174	7,433
		3,296	7,479
Creditors - amounts falling due within one year	11	(69)	(99)
Net Current Assets		3,227	7,380
Total Assets less Current Liabilities		7,743	7,380
Creditors - amounts falling due after more than one year	12	(1)	(1)
Net Assets		7,742	7,379
Capital and Reserves			
Called up share capital	13	75	75
Share premium account		–	7,249
Capital reserve – realised	14	(150)	(71)
Capital reserve – unrealised	14	364	–
Other reserve	14	69	–
Revenue reserve	14	7,384	126
Equity Shareholders' Funds		7,742	7,379
Basic Net Asset Value per Ordinary Share	15	103.60p	98.74p
Diluted Net Asset Value per Ordinary Share	15	102.68p	98.74p

The financial statements on pages 22 to 35 were approved and authorised for issue by the Board of Directors on 28 April 2010 and were signed on their behalf by:

David Vaughan
Chairman
28 April 2010

The accompanying notes on pages 22 to 35 are an integral part of the financial statements.

Cash Flow Statement

For the year ended 31 December 2009

	Note	Year ended 31 December 2009 £'000	Year ended 31 December 2008 £'000
Operating activities			
Interest income received		161	219
Dividend income received		11	–
Investment management fees paid		(150)	(80)
Directors fees paid		(36)	(17)
Other expenses paid		(73)	(26)
Net cash (outflow)/inflow from operating activities	16	(87)	96
Corporation tax paid		(15)	–
Capital expenditure and financial investment			
Purchase of investments		(5,293)	–
Proceeds from sale of investments		1,239	–
Acquisition costs		(15)	–
Net cash (outflow) from capital expenditure and financial investment		(4,069)	–
Equity dividend paid		(75)	–
Financing			
Proceeds received from issue of ordinary share capital		–	7,473
Expenses paid for issue of share capital		–	(149)
Proceeds received from issue of redeemable preference shares		–	13
Redemption of redeemable preference shares		(13)	–
Net cash (outflow)/inflow from financing		(13)	7,337
(Outflow)/inflow in the year		(4,259)	7,433
Reconciliation of net cash flow to movement in net funds			
(Decrease)/increase in cash for the year		(4,259)	7,433
Net funds at start of the year/period		7,433	–
Net funds at the year/period end		3,174	7,433

The accompanying notes on pages 22 to 35 are an integral part of the financial statements.

Reconciliation of Movements in Shareholders' Funds

For the year ended 31 December 2009

	For the year ended 31 December 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
At 1 January 2009	75	7,249	(71)	–	–	126	7,379
Capital reconstruction	–	(7,249)	–	–	–	7,249	–
Return/(loss) after taxation attributable to equity shareholders	–	–	(79)	364	69	84	438
Dividend paid	–	–	–	–	–	(75)	(75)
At 31 December 2009	75	–	(150)	364	69	7,384	7,742

	For the period to 31 December 2008						
	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
Share issues in the period	75	7,398	–	–	–	–	7,473
Expenses of share issues	–	(149)	–	–	–	–	(149)
Return/(loss) after taxation attributable to equity shareholders	–	–	(71)	–	–	126	55
At 31 December 2008	75	7,249	(71)	–	–	126	7,379

The accompanying notes on pages 22 to 35 are an integral part of the financial statements.

Notes to the Accounts

For the year ended 31 December 2009

1. Accounting Policies

Basis of Accounting

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed assets investments 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 revenue of £84,000 (2008 £126,000) as per the Income Statement on page 18 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. 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 to the investment policy set out on page 9. Investments are initially measured at cost which is the best estimate of fair value at the acquisition date. 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 payment 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 periods. Deferred tax is measured on a non-discounted basis at the tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

Comparative period

The comparative period runs from 17 December 2007 to 31 December 2008.

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

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.

Notes to the Accounts continued

For the year ended 31 December 2009

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

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Income from investments		
Loan stock interest	65	–
Dividend income	113	–
Mezzanine fees	7	–
	185	
Other income		
Bank deposit interest	57	263
Total income	242	263

3. Investment Management Fees

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Shore Capital Limited	147	117

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. These fees are capped, the Investment Manager has 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 year were 3.3% of Net Asset Value (2008 – 2.6%).

4. Performance Fees

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Shore Capital Limited	69	–

5. Other expenses

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Administration - Shore Capital Fund Administration Services Limited	26	21
Directors' remuneration	33	25
Social security costs	3	2
Auditor's remuneration for statutory audit	11	8
Insurance	5	3
Legal and professional fees	13	5
FSA, LSE and registrar fees	11	6
Other expenses	4	4
	106	74

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 year are detailed in the Directors' Remuneration Report commencing on page 13. The Company had no employees (other than Directors) during the year. The average number of non-executive Directors during the year was 3 (2008 – 3).

6. Tax on Ordinary Activities

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
UK corporation tax credited/(charged) to revenue reserve	2	(34)
UK corporation tax credited to capital reserve	-	17
(a) Current tax credit/(charge) for the year	2	(17)
(b) Factors affecting tax charge for the year		
Total return on ordinary activities before taxation	367	72
Tax charge calculated on total return on ordinary activities before taxation at the applicable rate of 21% (2008 – 21%)	77	15
Effects of:		
Non taxable UK dividend income	(22)	-
Non taxable Capital (income)/loss	(70)	19
Performance fee expense	15	-
Capital expenses in year	-	(17)
Adjustment to tax in respect of prior period	(2)	-
Total current tax (credit)/charge	(2)	17

Capital returns are not included as VCTs are exempt from tax on realised capital gains.

No provision for deferred tax has been made in the current accounting year although the Company has a deferred tax asset of £23,000 (2008 – Nil) arising from excess management charges of £110,000 (2008 – Nil). This deferred tax asset has not been recognised as the timing of the recovery cannot be foreseen with any certainty. Tax allowable excess management fees have not been recognised as a tax asset for this reason. 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 year ended 31 December 2009

7. Basic and diluted return per Ordinary Share

	Year ended 31 December 2009			Period ended 31 December 2008		
	Revenue	Capital	Total	Revenue	Capital	Total
Return/(loss) for the year/period	84,000	285,000	369,000	126,000	(71,000)	55,000
Weighted average number of shares	7,472,812	7,472,812	7,472,812	5,396,909	5,396,909	5,396,909
Return/(loss) per Ordinary Share	1.12p	3.82p	4.94p	2.34p	(1.32)p	1.02p

The total return per ordinary share is the sum of the revenue return and capital return. The weighted average number of shares is calculated from the date of incorporation.

8. Dividends

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Paid in year		
2008 Final revenue dividend	75	–

The directors propose a final dividend payment of 1p per Ordinary Share (2008 final – 1p) which amounts to £75,000.

9. Investments

(a) Summary	Historic Cost as at 31 December 2009 £'000	Market Value as at 31 December 2009 £'000	Historic Cost as at 31 December 2008 £'000	Market Value as at 31 December 2008 £'000
Qualifying venture capital investments	1,250	1,250	–	–
Non - qualifying investments	2,850	3,266	–	–
	4,100	4,516	–	–

(b) Movements in investments	Venture capital investments	Hedge funds & equity investments	Total £'000
Opening book cost	–	–	–
Purchases at cost	2,250	4,043	6,293
Disposals - proceeds	(1,000)	(1,239)	(2,239)
- realised net gains on disposal	–	46	46
Net unrealised gains on revaluation of investments	–	416	416
Valuation at 31 December 2009	1,250	3,266	4,516
Book cost at 31 December 2009	1,250	2,850	4,100
Net unrealised gains at 31 December 2009	–	416	416
Valuation at 31 December 2009	1,250	3,266	4,516

(c) Gains on investments

The gains on investments taken to capital reserves for the year shown in the Income Statement on page 18 is analysed as follows:

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Realised gains on disposal	46	–
Acquisition costs	(15)	–
Foreign exchange gains - unrealised on investments	7	–
Net unrealised gains on revaluation in respect of investments held at the year end	409	–
	447	–

Notes to the Accounts continued

For the year ended 31 December 2009

9. Investments (continued)

	Historic Cost as at 31 December 2009 £'000	Market Value as at 31 December 2009 £'000	Historic Cost as at 31 December 2008 £'000	Market Value as at 31 December 2008 £'000
(d) Quoted and unquoted investments				
Quoted investments	2,850	3,266	–	–
Unquoted investments	1,250	1,250	–	–
	4,100	4,516	–	–

(e) Disposals of unquoted investments in the year	Net disposal proceeds £'000	Cost £'000
Redemption of Heddon Services Ltd	1,000	1,000

10. Debtors

	As at 31 December 2009 £'000	As at 31 December 2008 £'000
Other debtors	7	1
Prepayments and accrued income	115	45
	122	46

11. Creditors – amounts falling due within one year

	As at 31 December 2009 £'000	As at 31 December 2008 £'000
Corporation tax	–	(17)
Preference shares	–	(13)
Accruals	(69)	(69)
	(69)	(99)

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

	As at 31 December 2009 £'000	As at 31 December 2008 £'000
Loan Notes	(1)	(1)

On 21 January 2008, 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, as the NAV is greater than £1, a performance fee has been expensed in accordance with FRS 20 Share-based Payment. Also a diluted NAV per share has been calculated which reflects the impact of this conversion (see page 30).

13. Called Up Share Capital

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Authorised:		
35,000,000 ordinary shares of 1p each (2008: 35,000,000)	350	350
Allotted and fully paid:		
7,472,812 ordinary shares of 1p each (2008: 7,472,812)	75	75

The Company did not issue any shares during the year ended 31 December 2009.

Notes to the Accounts continued

For the year ended 31 December 2009

14. Capital and Reserves

	Share Capital £'000	Share Premium Account £'000	Capital reserve- realised £'000	Capital reserve- unrealised £'000	Other reserve £'000	Revenue reserve £'000	Total £'000
At 1 January 2009	75	7,249	(71)	–	–	126	7,379
Net gains on realisation of investments	–	–	46	–	–	–	46
Capital reconstruction	–	(7,249)	–	–	–	7,249	–
Net unrealised gains on investments	–	–	–	417	–	–	417
Acquisition costs	–	–	(15)	–	–	–	(15)
Management fees charged to capital	–	–	(110)	–	–	–	(110)
Performance fee charged to capital	–	–	–	(53)	–	–	(53)
Performance fee to be effected through share-based payment	–	–	–	–	69	–	69
Retained net revenue for the year	–	–	–	–	–	84	84
Dividend paid	–	–	–	–	–	(75)	(75)
Balance at 31 December 2009	75	–	(150)	364	69	7,384	7,742

On 18 February 2009, 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.

Distributable reserves comprise: Capital reserve-realised, Capital reserve unrealised and the Revenue reserve. At the year end there were £7,598,000 (2008 - £55,000) of reserves available for distribution. The Capital reserve-realised shows gains/losses that have been realised in the year 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.

15. Net Asset Value per Ordinary Share

	31 December 2009		31 December 2008	
	Basic	Diluted	Basic	Diluted
Net assets (£)	7,742,000	7,742,000	7,379,000	7,379,000
Number of Ordinary Shares	7,472,812	7,539,930	7,472,812	7,472,812
Net Assets Value per Ordinary Share (p)	103.60p	102.68p	98.74p	98.74p

	31 December 2009		31 December 2008	
	Basic	Diluted	Basic	Diluted
Number of Ordinary Shares	7,472,812	7,472,812	7,472,812	7,472,812
Dilutive effect of performance fee (see note 4)	–	67,118		
At year/period-end	7,472,812	7,539,930	7,472,812	7,472,812

There is a dilution impact from the future issuance of additional shares to effect the performance fee payable to the Investment Manager.

16. Reconciliation of total return before taxation to net cash (outflow)/inflow from operating activities

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Total return before taxation	367	72
Gains on valuation of investments	(416)	–
Realised gain on investments	(46)	–
Transaction costs	15	
(Increase) in debtors	(76)	(46)
Increase in creditors	–	70
Performance fee to be effected through share-based payment	69	–
Net cash (outflow)/inflow from operating activities	(87)	96

17. Analysis of Changes in Net Funds

	Year ended 31 December 2009 £'000	Period to 31 December 2008 £'000
Beginning of year/period	7,433	–
Net cash (outflow)/inflow	(4,259)	7,433
As at year/period-end	3,174	7,433

18. Financial Instruments

The Company's financial instruments comprise solely of its investments, cash balances, debtors and certain creditors. 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 2009:

	2009 £'000	2008 £'000
Assets at fair value through profit or loss		
Investments managed through Shore Capital Limited	4,516	–
Loans and receivables		
Cash at bank and in hand	3,174	7,433
Interest, dividends and other receivables	122	46
Other financial liabilities		
Financial liabilities measured at amortised cost	(70)	(83)
	7,742	7,396

Notes to the Accounts continued

For the year ended 31 December 2009

18. Financial Instruments (continued)

Management of risk

The main risks the Company faces from its financial instruments are (i) credit risk, (ii) 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, (iii) liquidity risk, (iv) interest rate risk, and the Company has some exposure to foreign currency 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 year.

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:

	2009	2008
	£'000	£'000
Investments in fixed interest instruments	1,160	–
Investments in floating rate instruments	225	–
Cash and cash equivalents	3,174	7,433
Interest, dividends and other receivables	122	46
	4,681	7,479

Substantially all of the cash held by the Company is held by a large double AA- rated U.K. 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.

Investments in loan stocks comprise a fundamental part of the Company's venture capital investments, therefore credit risk in respect of these assets is managed within the main investment management procedures.

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 year 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 9. 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 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.

36 per cent of the Company's investments are in Bonds and Bond funds traded on AiM, listed on the London Stock Exchange or other similar exchanges, 8 per cent are in equities also traded on AiM. 28 per cent of the Company's investments are quoted hedge funds and 28 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 equities, quoted bonds and bond funds, 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 year.

		2009	2008
		£'000	£'000
Quoted equities	+/-	19	–
Quoted bonds and bond funds	+/-	81	–
Quoted hedge funds	+/-	63	–
Unquoted investments	+/-	63	–
		226	–

Liquidity risk

The unquoted holdings consisted of two equity investments and two loan notes. By their nature, unquoted investments may not be readily realisable, the board considers exit strategies for these investments throughout the period for which they are held. The portfolio of quoted hedge funds, equities and bonds and bond funds is held to offset the liquidity risk associated with unquoted investments. As at the year end, the Company had no borrowings other than loan notes amounting to £1,000 (see note 12).

The Company's hedge funds are considered to be readily realisable as one is redeemable at daily stated NAVs one at weekly stated NAVs and one 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.

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 2009. All of the loan stock investments are unquoted and hence not subject to market movements as a result of interest rate movements. At the year end and throughout the year, 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 12).

Cash flow interest rate risk

The Company has exposure to interest rate movements primarily through its cash deposit which tracks the Bank of England base rate. During the year, the Company earned interest income from cash with its custodian, Pershing Securities Limited.

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 2009.

Notes to the Accounts continued

For the year ended 31 December 2009

18 Financial Instruments (continued)

Interest rate risk profile of financial assets

The following analysis sets out the interest rate risk of the Company's financial assets.

	Rate status	Average interest rate	Period until maturity	Year ended 31 December 2009 £'000	Period ended 31 December 2008 £'000
Cash at bank	* Floating rate	1.048%		3,174	7,433
Bond Contracting limited loan note	** Floating rate	3.280%	1 month	225	–
Forward Internet Group Limited (formerly TrafficBroker) loan note	Fixed rate	8.125%	1 year	800	–
Anglo American Capital PLC bond	Fixed rate	5.125%	1 year	239	–
HBOS Capital Funding LP bond	Fixed rate	6.850%	30 years	121	–
Balance of assets	Non-interest bearing			3,253	–
				7,812	7,433

* Benchmark rate is Bank of England base rate

** Benchmark rate is UK 3 month LIBOR

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

An increase of 25 basis points in Bank of England base rate as at the reporting date would have increased the net assets attributable to the Company's shareholders and the total profit for the year by £7,935 (2008 – £18,500). A decrease of 25 basis points would have had an equal but opposite effect.

An increase of 100 basis points in UK 3 month LIBOR rate as at the reporting date would have increased the net assets attributable to the Company's shareholders and the total profit for the year by £2,250 (2008 – nil). A decrease of 100 basis points would have had an equal but opposite effect.

None of the loan stocks held by the Company are convertible.

Foreign currency risk

The reporting currency of the Company is Sterling. However, the Company holds two U.S. Dollar denominated investments. As at the year end, the Sterling equivalent value of such foreign investments amounted to £408,000 (2008 - nil) representing 5 per cent (2008 – nil per cent) of the Company's net assets as at that date.

An increase of 5 per cent in the value of the USD against GBP as at the reporting date would have increased the net assets attributable to the Company's shareholders and the total profit for the year by £20,400 (2008 – nil). A decrease of 5 per cent would have had an equal but opposite effect.

Fair value hierarchy

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

	Level 1 'Quoted prices'	Level 2 'Observable inputs'	Level 3 'Unobservable inputs'	Total
Year ended 31 December 2009				
Financial assets				
At fair value through profit and loss	1,736	1,530	1,250	4,516

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 in line with the Company's accounting policies.

19. 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 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 may 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 year.

20. Contingencies, Guarantees and Financial Commitments

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

21. 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 G B Shore is a director, to provide investment management services. During the year £147,000 (2008 – £117,000) was due in respect of investment management fees. The balance owing to Shore Capital Limited at the year-end was £39,000 (2008 – £37,000). During the year Shore Capital Limited charged commissions of £14,000 (2008 – Nil) on investments made by the Company.

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 year £26,000 (2008 – £21,000) was due in respect of these services. The balance owing to Shore Capital Fund Administration Services Limited at the year-end was £7,000 (2008 – £7,000).

22. Subsequent events

Subsequent to the year end the Company realised its holding in Bond Contracting Ltd as discussed in the Investment Managers Report on page 3.

Puma VCT V 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 9 June 2010 at 10 a.m. for the following purposes:

Ordinary Business

- 1 To approve and adopt the Accounts for the financial period ended 31 December 2009, together with the reports of the Directors and Auditors thereon.
- 2 To re-elect David Vaughan as a director who retires pursuant to article 117 of the Company's Articles of Association and, being eligible, offers himself for re-election.
- 3 To re-appoint Baker Tilly as Auditors of the Company and to authorise the Directors to determine their remuneration.
- 4 To declare a final dividend of 1p per ordinary share of 1p each in the capital of the Company ("Ordinary Share") payable to shareholders on the register at close of business on 14 May 2010.
- 5 To approve the policy set out in the Remuneration Report in the Annual Report and Accounts 2009.

BY ORDER OF THE BOARD

Eliot Kaye
Company Secretary

Dated: 28 April 2010

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

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/](http://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 than 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, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD or electronically at pumav@davidvenus.com, 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, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD. 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 pumav@davidvenus.com.

In either case, the revocation notice must be received by the Company's registrars, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD 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 VCT V 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 7 June 2010 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 7 June 2010 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 28 April 2010, the Company's issued share capital comprised 7,472,812 Ordinary Shares. The total number of voting rights in the Company as at 28 April 2010 is 7,472,812. 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, SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD on 01372 467308 (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) Resolution 2: Information about the Director who is proposed by the Board for re-election at the Annual General Meeting is shown in the Annual Report and Accounts 2009.

Puma VCT V plc

Form of Proxy

For use at the Annual General Meeting of Puma VCT V plc convened for 9 June 2010 at 10 a.m. at Bond Street House, 14 Clifford Street, London W1S 4JU

I/We

(BLOCK CAPITALS PLEASE)

of

being (a) member(s) of the Company hereby appoint the Chairman of the Meeting (see Note 2) or

as my/our proxy and to attend and vote for me/us on my/our behalf at the Annual General Meeting of the Company to be held on 9 June 2010 and at any adjournment thereof. My/our proxy is to vote as indicated below in respect of the Resolutions set out in the Notice of Annual General Meeting (see Note 9)

Ordinary Resolutions

	FOR	AGAINST	WITHHELD
1 To approve and adopt the Report and Accounts	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
2 To re-elect David Vaughan	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
3 To re-appoint Baker Tilly as Auditors and to authorise the Directors to determine their remuneration	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
4 To declare a dividend	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
5 To approve the policy set out in the Remuneration Report	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

Dated

Signed or sealed (see Note 6)

Notes:

- 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 than 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 wish to appoint a proxy of your own choice delete the words "the Chairman of the Meeting" and insert the name and address of the person whom you wish to appoint in the space provided.
- Any alterations to the Form of Proxy should be initialled.
- 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 SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD electronically at pumav@davidvenus.com, 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.
- 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 SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD. 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 pumav@davidvenus.com.In either case, the revocation notice must be received by SLC Registrars, Thames House, Portsmouth Road, Esher, Surrey KT10 9AD 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 8 below, the proxy appointment will remain valid.
- In the case of a corporation, this form must be executed under its common seal or signed on its behalf by its attorney or a duly authorised officer of the corporation.
- In the case of joint shareholders, any one of them may sign. The vote of the person whose name stands first in the register of members will be accepted to the exclusion of the votes of the other joint holders.
- 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.
- 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.



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Business Reply
Licence Number
RRHB-ELUY-YCCB



**SLC Registrars
Thames House
Portsmouth Road
Esher
Surrey
KT10 9AD**

SECOND FOLD

FIRST FOLD



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