



PUMA VCT ¹¹
Calculated Excellence

INTERIM REPORT

For the period ended
31 August 2016

Officers and Professional Advisers

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Maurice Shear
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Eliot Kaye

REGISTERED NUMBER

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02 Chairman's Statement

Highlights

- Φ NAV per share up 0.65p in the half year at 96.83p
- Φ A significant proportion of funds raised now invested in a diverse range of high quality businesses and projects generating an attractive return
- Φ Strong pipeline of investment opportunities as the Company completes its first year of operations

INTRODUCTION

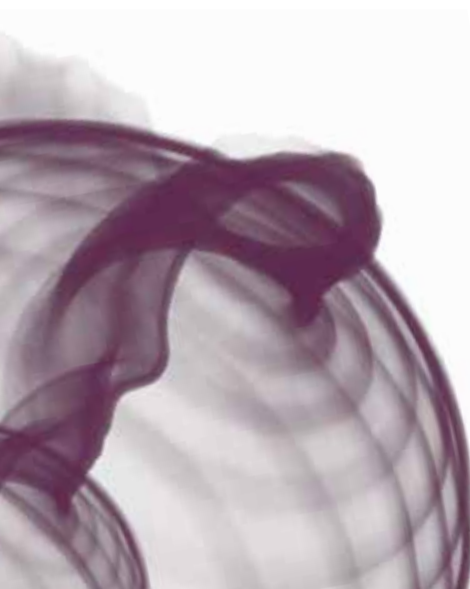
I AM PLEASED TO PRESENT THE INTERIM REPORT FOR PUMA VCT 11 PLC (THE 'COMPANY') FOR THE PERIOD TO 31 AUGUST 2016. THE COMPANY HAS BEEN ACTIVELY SEEKING TO DEPLOY ITS CASH RESOURCES IN GOOD QUALITY INVESTMENTS, FOCUSING ON ITS MANDATE TO EXPLOIT THE OPPORTUNITIES WHICH ARE ARISING AS A RESULT OF CONTINUING TIGHT CREDIT MARKETS.

NET ASSET VALUE ('NAV')

The NAV per share at the period end was 96.83p, comprising a profit before tax for the period of £197,000 and representing a return of 0.65p per ordinary share during the period. The Company's total net assets at the period end were just over £29.5 million.

QUALIFYING INVESTMENTS

As previously reported, before the passing of the Finance (2) Act 2015, the Company invested a total of £7.5 million in three newly established qualifying businesses. Warm Hearth Limited, in which the Company invested £2.5 million (as part of a £5 million investment alongside other Puma VCTs), was established to operate a trading business in the hospitality and leisure sectors and/or to acquire businesses that operate within those sectors. Mini Rainbows Limited, in which the Company invested £2.5 million (as part of a £5 million investment alongside other Puma VCTs), was established to operate a trading business in the childcare sector and/or to acquire businesses that operate within that sector. Welcome Health Limited, in which the Company invested £2.5



million (as part of a £5 million investment alongside other Puma VCTs), was established to operate a trading business in the healthcare sector and/or to acquire businesses that operate within that sector.

I am pleased to report that, during the period, Warm Hearth Limited commenced its trade, seeking to capitalise on the strong growth trends within the craft beer sub market and add value from the roll-out and use of a strong brand. In pursuit of this strategy Warm Hearth was able to negotiate a franchise agreement with Brewhouse & Kitchen Limited ("B&K"), a strong and fast-growing branded operator. Its differentiation is to have craft micro-brewing activities within each of its pub units as a point of focus. Warm Hearth acquired three substantial freehold pub assets in Chester, Wilmslow and Bedford, all of which are now open and trading as fully branded B&K units with pleasing performance to date.

We understand that the directors of Mini Rainbows Limited and Welcome Health Limited are actively pursuing opportunities to deploy their funds in the near future. We have been advised by PwC that HMRC have confirmed that these investments should also be qualifying for VCT purposes.

NON-QUALIFYING INVESTMENTS

As previously reported, we have adopted a strategy for the non-qualifying portfolio of secured loans (and other similar instruments) offering a good yield with hopefully limited downside risk. To that end, the Company had invested £21.4 million in a series of lending businesses with this strategy. Details of the loans that these lending businesses have made are set out below.

Loans of £1.2 million have been advanced to Windsar Care (UK) LLP to fund the development and initial trading of a 68-bed purpose-built care home in Egham, Windsor. These loans, together with loans from other vehicles managed and advised by your Investment Manager totalling £5.3 million, are secured with a first charge over the site and are expected to generate an attractive return. Construction has commenced on site and is progressing well.

In June 2016 the Company advanced an £800,000 loan, secured against a portfolio of freehold assets and the associated ground rents, as part of a package from other vehicles managed and advised by your Investment Manager totalling £3 million. The portfolio of ground rents consists of 1,415 individual units in total across 16 freeholds, with all leases in excess of 90 years. The sponsor of the transaction is Grangeford Asset Management, a manager of some 7,000 individual ground rents across 130 properties in the United Kingdom valued at £50 million.

We are pleased to report that the residual £640,000 loan to Kingsmead Care Home Limited, which owns and operates a care and dementia treatment facility in Mytchett, Surrey, was repaid in full following the period end, giving a good rate of return.

During the period, a series of loans totalling £2.75 million were advanced to various entities within the Citrus Group. These loans, together with loans from other vehicles managed and advised by your Investment Manager, form part of a series of revolving credit facilities to provide working capital to the Citrus PX business. Citrus PX operates a property part exchange service facilitating

04 Chairman's Statement continued

the rapid purchase of properties for developers and homeowners. The facility provides a series of loans to Citrus PX, with the benefit of a first charge over a geographically diversified portfolio of residential properties on conservative terms.

We made a loan of £2.5 million to Toppan Holdings Limited together with loans from other vehicles managed and advised by your Investment Manager totalling £5.6 million. It was advanced to fund the development of a 65 bed purpose built care home in Mill Hill, London. The development has completed and the loans are secured with a first charge over the site. The care home, to be known as Aarandale Manor, has recently opened.

In 2015, a loan of £3 million was advanced to Northern Land Developments Limited to facilitate the acquisition of two large residential houses in Beckenham, Kent, and to fund planning costs to replace these two units with seven town houses. We are pleased to report that planning permission was duly granted after the period end. The loan is secured with a first charge over the site and also an adjacent larger parcel of land with significant further development potential.

The loans of £2 million to Richmond Global Properties Limited continue to perform. These loans, together with loans from other vehicles managed and advised by your Investment Manager totalling £6.9 million, are being advanced to fund the development of a 112 bed purpose built care home in Hamilton, Scotland. These loans are secured with a first charge over the site and are expected to generate an attractive return. The construction programme is well progressed and the home is expected to open in the Spring of 2017.

The £800,000 loan to Athena (Alpha) Limited, as part of a £4.4 million facility from other vehicles managed and advised by your Investment Manager, is funding the development of a new purpose-built, 80-bed residential care home in Dover, Kent. The site occupies a prominent location adjacent to the recently opened new community hospital, approximately a 5 minute drive from Dover town centre. We are pleased to report that construction is progressing well and expects to complete before the end of the year. We understand that the borrower, who has recently developed and sold two similar care homes, is in discussions with a potential purchaser of this care home on terms which would see the loan repaid in full.

As previously reported, a £1 million loan was advanced to Regent Formations 265 Limited, which, together with loans from other vehicles managed and advised by your Investment Manager totalling £2.8 million, is being advanced to fund the development of a new 88 bed care home in Melton Mowbray, Leicestershire. These loans are again secured with a first charge over the site and expected to generate an attractive return. The construction programme is progressing well and the care home is expected to open in Q1 2017.

A £1.2 million facility, as part of a total facility of £3 million, has been completed with an entity within the Ironbridge Group. The facilities provide the senior 70% slice of "stretched senior" bridging loans on non-owner-occupied properties in London and the South East with Ironbridge funding the subordinated 30% slice. Ironbridge operate a bridge lending business and have successfully deployed over £50m of customer loans to date. Loans are being advanced from 6 to 24 months with the senior slice at a conservative loan-to-value ratio.

As reported in the Company's annual report, the Company had acquired £519,000 shares in Nextenergy Solar Fund, a fully listed investment company focusing on operational solar photovoltaic assets located in the United Kingdom. Due to a change in power-generation markets resulting from declining energy prices, we began to reduce the Company's exposure and fully exited this investment during the period.

To further manage liquidity, the Company has exposure to £3 million in a floating rate note issued by Royal Bank of Canada and £1.3 million in a floating rate note issued by Commonwealth Bank of Australia. It is intended that these positions will be liquidated in due course as the Company makes qualifying investments.

VCT QUALIFYING STATUS

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

PRINCIPAL RISKS AND UNCERTAINTIES

The economy in the UK may have become more fragile, especially in the light of recent political events. The consequences of this for the Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of the year.

OUTLOOK

We are pleased that a significant proportion of the Company's available cash is now invested in a diverse portfolio of qualifying and non-qualifying investments, generating an attractive return. The Investment Manager is in legal process with a number of further qualifying investment opportunities and expects to make such investments in the second half of the year. The restrictions on availability of bank credit continue to affect the terms on which target companies can raise finance. This should both increase the demand for our offering and improve the terms we can secure. There are many suitable companies which are well-managed, in good market positions, which need our finance and can offer good security. We therefore believe the Company is strongly positioned to assemble a portfolio to deliver attractive returns to shareholders in the medium to long term.

Harold Paisner
Chairman

30 November 2016

Income Statement (unaudited)

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FOR THE PERIOD ENDED 31 AUGUST 2016

	Note	Period ended 31 August 2016			Period ended 31 August 2015			Period ended 29 February 2016		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gains/(losses) on investments		-	50	50	-	3	3	-	(53)	(53)
Income		573	-	573	161	-	161	764	-	764
		573	50	623	161	3	164	764	(53)	711
Investment management fees	4	(74)	(222)	(296)	(81)	(243)	(324)	(144)	(433)	(577)
Other expenses		(130)	-	(130)	(202)	-	(202)	(279)	-	(279)
		(204)	(222)	(426)	(283)	(243)	(526)	(423)	(433)	(856)
Profit/(loss) on ordinary activities before taxation		369	(172)	197	(122)	(240)	(362)	341	(486)	(145)
Tax on return on ordinary activities		-	-	-	-	-	-	(68)	68	-
Profit/(loss) on ordinary activities after tax attributable to equity shareholders		369	(172)	197	(122)	(240)	(362)	273	(418)	(145)
Basic and diluted Profit/(loss) per Ordinary Share (pence)	2	1.21p	(0.56p)	0.65p	(0.40p)	(0.79p)	(1.19p)	1.35p	(2.07p)	(0.72p)

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



08 Balance Sheet (unaudited)

AS AT 31 AUGUST 2016

	Note	As at 31 August 2016 £'000	As at 31 August 2015 £'000	As at 29 February 2016 £'000
Fixed Assets				
Investments	6	30,720	14,686	25,890
Current Assets				
Prepayments		476	135	2,200
Cash		132	16,482	2,513
		608	16,617	4,713
Creditors - amounts falling due within one year		(1,784)	(2,166)	(1,256)
Net Current Assets		(1,176)	14,451	3,457
Net Assets		29,544	29,137	29,347
Capital and Reserves				
Called up share capital		19	19	19
Share premium account		29,473	29,480	29,473
Capital reserve – realised		(613)	(243)	(365)
Capital reserve – unrealised		23	3	(53)
Revenue reserve		642	(122)	273
Equity Shareholders' Funds		29,544	29,137	29,347
Net Asset Value per Ordinary Share	3	96.83p	95.49p	96.18p
Diluted Net Asset Value per Ordinary Share	3	96.83p	95.49p	96.18p

Cash Flow Statement (unaudited)

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FOR THE PERIOD ENDED 31 AUGUST 2016

	Period ended 31 August 2016 £'000	Period ended 31 August 2015 £'000	Period ended 29 February 2016 £'000
Operating activities			
Profit/(loss) after tax	197	(362)	(145)
Unrealised (gain)/loss on investments	(76)	(3)	53
Realised loss on investments	26	-	-
Decrease/(increase) in debtors	1,724	(135)	(2,200)
Increase in creditors	528	2,166	1,256
Net cash outflow from operating activities	2,399	1,666	(1,036)
Capital expenditure and financial investment			
Purchase of investments	(5,275)	(14,683)	(25,943)
Proceeds from sale of investments	495	-	-
Net cash outflow from capital expenditure and financial investment	(4,780)	(14,683)	(25,943)
Financing			
Proceeds received from issue of ordinary share capital	-	30,256	30,242
Expenses paid for issue of share capital	-	(757)	(750)
Proceeds received from issue of redeemable preference shares	-	13	13
Redemption of redeemable preference shares	-	(13)	(13)
Net cash inflow from financing	-	29,499	29,492
(Decrease)/increase in cash	(2,381)	16,482	2,513
Net cash at start of the period	2,513	-	-
Net funds at the period end	132	16,482	2,513



10 Reconciliation of Movements in Shareholders' Funds (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2016

	Called up share capital £'000	Share premium account £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Shares issued in the period	19	30,237		-	-	30,256
Expense of share issue	-	(757)	-	-	-	(757)
Return after taxation attributable to equity shareholders	-	-	(243)	3	(122)	(362)
Balance as at 31 August 2015	19	29,480	(243)	3	(122)	29,137
Shares issued in the period	-	(14)	-	-	-	(14)
Expense of share issue	-	7	-	-	-	7
Return after taxation attributable to equity shareholders	-	-	(122)	(56)	395	217
Balance as at 29 February 2016	19	29,473	(365)	(53)	273	29,347
Return after taxation attributable to equity shareholders	-	-	(248)	76	369	197
Balance as at 31 August 2016	19	29,473	(613)	23	642	29,544

Notes to the Interim Report

FOR THE PERIOD ENDED 31 AUGUST 2016

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1. ACCOUNTING POLICIES

The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies and Venture Capital Trusts" ("SORP") and in accordance with the Financial Reporting Standard 102 ("FRS102").

2. RETURN PER ORDINARY SHARE

The total profit per share of 0.65p is based on the profit for the period of £197,000 and the weighted average number of shares in issue as at 31 August 2016 of 30,511,969 calculated from the date of the first receipt of proceeds from the issue of ordinary share capital.

3. NET ASSET VALUE PER SHARE

	As at 31 August 2016	As at 31 August 2015	As at 29 February 2016
Net assets	29,544,000	29,137,000	29,347,000
Shares in issue	30,511,969	30,511,969	30,511,969
Net asset value per share			
Basic	96.83p	95.49p	96.18p
Diluted	96.83p	95.49p	96.18p

4. MANAGEMENT FEES

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

5. BASIS OF PREPARATION

The financial information for the period ended 31 August 2016 has not been audited and does not comprise full financial statements within the meaning of Section 423 of the Companies Act 2006. The interim financial statements have been prepared on the same basis as will be used to prepare the annual financial statements.

12 Notes to the Interim Report continued

FOR THE PERIOD ENDED 31 AUGUST 2016

6. INVESTMENT PORTFOLIO SUMMARY

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
As at 31 August 2016				
Qualifying Investment - Unquoted				
Warm Hearth Limited	2,500	2,500	-	8%
Mini Rainbows Limited	2,500	2,500	-	8%
Welcome Health Limited	2,500	2,500	-	8%
Total Qualifying Investments	7,500	7,500	-	24%
Non-Qualifying Investments				
Palmer Lending Limited	1,011	1,011	-	3%
Valencia Lending Limited	1,350	1,350	-	5%
Primrose Lending Limited	2,000	2,000	-	7%
Mayfield Lending Limited	4,000	4,000	-	14%
Lothian Lending Limited	3,174	3,174	-	11%
Lavender Lending Limited	116	116	-	0%
Latimer Lending Limited	2,481	2,481	-	8%
Meadow Lending Limited	2,575	2,575	-	9%
Tottenham Lending Limited	800	800	-	3%
Marble Lending Limited	600	600	-	2%
Sloane Lending Limited	800	800	-	3%
Total Non-Qualifying investments	18,907	18,907	-	65%
Liquidity Management				
Commonwealth Bank of Australia bonds* (via Palmer Lending Limited)	1,295	1,288	7	4%
Royal Bank of Canada bonds*	3,018	3,002	16	10%
Total Liquidity Management Investments	4,313	4,290	23	14%
Total Investments	30,720	30,697	23	103%
Balance of Portfolio	(1,176)	(1,176)	-	-3%
Net Assets	29,544	29,521	23	100%

* Quoted investment listed on the London Stock Exchange

Of the investments held at 31 August 2016, all are incorporated in England and Wales with the exception of the liquidity management holdings.

Copies of this Interim Statement will be made available on the website:
www.pumainvestments.co.uk/pages/view/investors-information-vcts



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Puma Investments is a trading name of
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is authorised and regulated by the Financial
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