



SHORE CAPITAL



# PUMA VCT V PLC

INTERIM REPORT 2008

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# Chairman's Statement

## Highlights

- Net asset value per share of 98.34p, a 0.34% increase from the initial NAV of 98p.
- Qualifying investments in pipeline expected to be completed in the coming months

This statement forms the Interim Management Report for the period ended 30 June 2008.

### Introduction

I am delighted to be presenting to you as Chairman the first interim report for Puma VCT V plc for the period to 30 June 2008.

The Company was incorporated in December 2007 and had raised almost £7.5 million by the time it closed in May 2008. The investment manager, Shore Capital Limited, now has approximately £65m of VCT money under management and a well established, experienced VCT team to manage our Company's deal flow.

### Net Asset Value ('NAV')

The NAV per share, the measure by which the net assets of the company are split equally across the number of shares in issue, was 98.34p at 30 June 2008. Although little changed from the initial NAV per share of 98.0p, I am pleased to be reporting an increase. Since the close of the Offer, the net proceeds raised have taken advantage of the attractive interest rates on offer on longer term deposits and commercial paper with double A rated banks. We envisage the attractive cash

yields will enhance returns for investors whilst the cash awaits investment in suitable qualifying companies. Most importantly investors' capital is protected in a time when potential investments into smaller AIM listed companies are particularly vulnerable to the general market malaise. The income generated from cash management has been in excess of the running costs of the Company leading to an increase in the net assets.

### Investments

During the period, the investment manager actively sourced suitable qualifying investments but has refrained from making investments which may be on better terms in the near future. As discussed in the Company's Information Memorandum, it is the investment manager's intention to take advantage of the general financing difficulties afflicting smaller companies thus providing ample opportunity to provide debt at attractive terms. I look forward to reporting the investment manager's developments in the annual report.

# Chairman's Statement continued

## 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 will assist the Investment Manager in establishing the status of investments as qualifying holdings in the future.

## Principal risks and uncertainties

The Company's cash is held in commercial paper with double A rated banks. The credit worthiness of these institutions will, above any other, constitute the principal risk and uncertainty during the second half of this year.

Should the Company invest in any qualifying investments in the last six months of 2008 the consequence for this investment or investments of a potential UK recession would then present one of the principal risks and uncertainties

## Outlook

Since the fundraising period came to an end the investment manager has met a number of companies which are potentially suitable for investment. There is a good flow

of opportunities which may lead to suitable investments. We will update you in due course as investments are completed.

The tightening of the credit markets and the very large reduction in values of both quoted and unquoted smaller UK companies (the AIM index, for example, fell 27.4 per cent in the six months to June 2008) have radically altered the terms on which target companies can raise finance. This should both increase the demand for our mezzanine offering and improve the terms we can secure when we offer finance. Whilst the current downturn in the economic environment (a downturn which we do not expect to be short-lived) affects the viability of target investee companies, there are many suitable companies which are well—managed, in good market positions, can offer security and need our finance. We therefore believe the Company is strongly positioned to assemble a portfolio to deliver attractive returns to shareholders in the medium to long term.

**David Vaughan**  
Chairman

26 August 2008

# Income Statement (unaudited)

For the period ended 30 June 2008

		For the period 3 December 2007 to 30 June 2008		
	Note	Revenue £'000	Capital £'000	Total £'000
Income		102	–	102
		102	–	102
Investment management fees	4	11	32	43
Performance fees		9	(9)	–
Other expenses		29	–	29
		49	23	72
<b>Return/(loss) on ordinary activities before taxation</b>		<b>53</b>	<b>(23)</b>	<b>30</b>
Tax on return on ordinary activities capital		(12)	6	(6)
<b>Return/(loss) on ordinary activities after tax attributable to equity shareholders</b>		<b>41</b>	<b>(17)</b>	<b>24</b>
<b>Return/(loss) per Ordinary Share (pence)</b>	2	<b>0.73p</b>	<b>(0.29)p</b>	<b>0.44p</b>

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

# Balance Sheet (unaudited)

As at 30 June 2008

	Note	As at 30 June 2008 £'000
<b>Current Assets</b>		
Debtors		1
Cash		7,427
		<b>7,428</b>
<b>Creditors - amounts falling due within one year</b>		<b>(79)</b>
<b>Total Assets less Current Liabilities</b>		<b>7,349</b>
<b>Creditors - amounts falling due after more than one year (including convertible debt)</b>		<b>(1)</b>
<b>Net Assets</b>		<b>7,348</b>
<b>Capital and Reserves</b>		
Called up share capital		75
Share premium account		7,249
Capital reserve – realised		(26)
Capital reserve – unrealised		9
Revenue reserve		41
<b>Equity Shareholders' Funds</b>		<b>7,348</b>
<b>Net Asset Value per Ordinary Share</b>	3	<b>98.34p</b>
<b>Diluted Net Asset Value per Ordinary Share</b>	3	<b>98.34p</b>

# Cash Flow Statement (unaudited)

For the period ended 30 June 2008

	For the period 3 December 2007 to 30 June 2008 £'000
<b>Operating activities</b>	
Investment income received	101
Other cash payments	1
<b>Net cash inflow from operating activities</b>	<b>102</b>
<b>Financing</b>	
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	50
Redemption of redeemable preference shares	(50)
Proceeds received from convertible loan notes	1
<b>Net cash inflow from financing</b>	<b>7,325</b>
<b>Management of liquid resources</b>	<b>(7,022)</b>
<b>Increase in cash</b>	<b>405</b>
<b>Reconciliation of net cash flow to movement in net funds</b>	
Increase in cash for the period	405
Increase in liquid resources for the period	7,022
Net cash at start of the period	–
<b>Net funds at the period end</b>	<b>7,427</b>

# Reconciliation of Movements in Shareholders' Funds (unaudited)

For the period ended 30 June 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
<b>For the period 3 December 2007 to 30 June 2008</b>							
Share issues in the period	<b>75</b>	<b>7,398</b>	–	–	–	–	<b>7,473</b>
Expenses of share issues	–	<b>(149)</b>	–	–	–	–	<b>(149)</b>
Total recognised gains for the period	–	–	<b>(26)</b>	<b>9</b>	–	<b>41</b>	<b>24</b>
<b>Balance at 30 June 2008</b>	<b>75</b>	<b>7,249</b>	<b>(26)</b>	<b>9</b>	–	<b>41</b>	<b>7,348</b>



# Notes to the Interim Report

For the period ended 30 June 2008

1. The financial statements have been prepared under the historical cost convention, modified to include the revaluation of fixed asset investments, and in accordance with applicable Accounting Standards and with the Statement of Recommended Practice, "Financial Statements of Investment Trust Companies" ("SORP") December 2005. Although this SORP principally applies to Investment Trusts, many of the characteristics of Investment Trusts are shared by VCTs therefore the Company will continue to follow the SORP until investment company status is revoked.

## 2. Return per Ordinary Share

The total return per share of 0.44p is based on the profit for the period of £24,000 and the weighted average number of shares in issue as at 30 June 2008 of 5,679,225.

## 3. Net asset value per share

Period	Net assets	Shares in issue	Net Asset Value per share	
			Basic	Diluted
<b>30 June 2008</b>	<b>£7,348,000</b>	<b>7,472,812</b>	<b>98.34p</b>	<b>98.34p</b>

## 4. Management fees

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

## 5. Related Party Transactions

The Company has appointed Shore Capital Limited, a company of which G Shore is a director, to provide investment management services. During the period £43,000 was due in respect of investment management fees. The total of this balance was outstanding as at the period end.

6. The financial information for the period ended 30 June 2008 has not been audited and does not comprise full financial statements within the meaning of Section 240 of the Companies Act 1985. The interim financial statements have been prepared on the same basis as will be used to prepare the annual financial statements.

# Officers and Professional Advisers

## Directors

David Vaughan (Chairman)  
(appointed 22 January 2008)\*

Stephen Hazell-Smith  
(appointed 22 January 2008)\*

Graham Shore  
(appointed 22 January 2008)

\* Non-executive

## 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  
Esther  
Surrey KT10 9AD

## Administrator

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

## Auditors

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 Adviser

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

## Custodian

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



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