



**PUMA VCT** 9  
Calculated Excellence

**INTERIM REPORT**

For the period ended  
31 August 2016

# Officers and Professional Advisers

## **DIRECTORS**

Egmont Kock (Chairman)  
Terence Rhodes  
Graham Shore

## **SECRETARY**

Eliot Kaye

## **REGISTERED NUMBER**

08238812

## **REGISTERED OFFICE**

Bond Street House  
14 Clifford Street  
London W1S 4JU

## **INVESTMENT MANAGER**

Puma Investment Management Limited  
Bond Street House  
14 Clifford Street  
London W1S 4JU

## **REGISTRAR**

SLC Registrars  
42-50 Hershams Road  
Walton-on-Thames  
Surrey KT12 1RZ

## **ADMINISTRATOR**

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

## **AUDITORS**

RSM UK Audit LLP  
Chartered Accountants  
25 Farringdon Street  
London EC4A 4AB

## **SPONSORS AND SOLICITORS**

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No 1 London Bridge  
London SE1 9BG

## **BANKERS**

The Royal Bank of Scotland plc  
London City Office  
PO Box 412  
62-63 Threadneedle Street  
London EC2R 8LA

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Sarnia House  
Le Truchot  
St Peter Port  
Guernsey GY1 4EF

## **VCT TAX ADVISOR**

PricewaterhouseCoopers LLP  
1 Embankment Place  
London WC2N 6RH

## **CUSTODIAN**

Pershing Securities Limited  
1 Canada Square  
London E14 5AL

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<b>OFFICERS AND PROFESSIONAL ADVISERS</b>	<b>IFC</b>
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# 02 Chairman's Statement

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## Highlights

- Φ Funds deployed in a diverse range of investments generating an attractive return
- Φ 12p per share of dividends paid since inception, equivalent to a 9% per annum tax-free running yield on net investment
- Φ NAV per share of 97.78p at period end (adding back dividends paid to date)

## INTRODUCTION

THE COMPANY HAS DEPLOYED ITS FUNDS IN A DIVERSE RANGE OF BOTH QUALIFYING AND NON-QUALIFYING INVESTMENTS, HAVING MET ITS MINIMUM QUALIFYING INVESTMENT PERCENTAGE OF 70 PER CENT DURING THE PREVIOUS PERIOD. WE BELIEVE OUR PORTFOLIO IS WELL POSITIONED TO DELIVER ATTRACTIVE RETURNS TO SHAREHOLDERS WITHIN ITS REMAINING PLANNED LIFE.

## QUALIFYING INVESTMENTS

The Company made a £1.875 million investment in Urban Mining Limited, a member of the Chinook Urban Mining group of companies, in 2014. The investment, as part of a £5 million investment alongside other Puma VCTs into an energy-from waste business, was to facilitate the development of a flagship plant in East London to generate electricity through the gasification of municipal solid waste. The project is seeking to benefit from favourable Contracts for Difference available to renewable projects, and is qualifying because it was made prior to the royal assent of the Finance Act 2014. The management team has a track record of delivering similar projects in other jurisdictions and is a preferred partner of Chinook Sciences, the Nottingham based technology company which has developed the award-winning "non-incineration ultra clean synthetic gas technology" which will be used in the East London plant. The investment is secured with a first charge over the Chinook Urban Mining business and the eight acre freehold site of the East London plant.

As reported in the Company's previous annual report, Kinloss Trading Limited and Jephcote Trading Limited (in which the Company had invested £3.5 million and £880,000 respectively) have, as members of SKPB Services LLP, been engaged in a series of projects to provide contracting services across the country. We understand that, following the period end, SKPB Services commenced work on its latest project, the construction of a new 134 bedroom Ibis Budget Hotel and the associated infrastructure adjacent to Luton Airport. The project is expected to complete in mid-2017.

As previously reported, a major fire occurred on 28 February 2016 at the Materials Recycling Facility ("MRF") operated by Opes Industries Limited ("Opes"), into which the Company has invested a total of £3.6m (as part of an £8.8m investment by Puma entities). As a result of the incident, and as reported in the Company's previous annual report, the Company has made a provision of £532,000 against the carrying value of its investment in Opes. Opes owns a 73 hectare site in north Oxfordshire with a MRF, including a landfill site for non-hazardous materials and an aggregates/gravel quarrying business. The Company's investment was to provide funding for the construction and equipping of the MRF and working capital during the build-up of the trade. The funding was provided in the form of equity and loan stock and our interests are covered by a first fixed and floating charge over Opes' assets. Following the incident, we appointed an administrator over Opes in order to best protect the Company's investment. The administrator has implemented various measures to preserve the value of Opes' assets, mitigate costs and seek to realise best

value for the Company. Discussions are also continuing with Opes' insurers regarding the reimbursement of the damage to the plant and the building and of the costs of business interruption.

The Company's £3.2 million investment (as part of a total £5 million investment alongside other Puma VCTs) into Alyth Trading Limited continues to perform well. Alyth Trading is a nationwide provider of contracting services and during the period has been engaged on projects including the construction of a 112 bed purpose built care home in Hamilton, Scotland, and the construction of a 68 bed purpose built care home in Egham, Windsor. We understand both projects are well progressed.

The Company's investment of £3.4 million (alongside other Puma VCTs) into Saville Services Limited continues to perform well. Saville Services has been providing contracting services over a series of projects, and has recently commenced work on the construction of a 77-bed purpose-built care home in Chester.

### **NON-QUALIFYING INVESTMENTS**

As previously reported, we adopted a strategy for the non-qualifying portfolio of investing in secured loans (and other similar instruments) offering a good yield with hopefully limited downside risk.

During the period, a series of loans totalling £1 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

## 04 Chairman's Statement continued

the Citrus PX business. Citrus PX operates a property part exchange service facilitating 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.

As previously reported, Lothian Lending Limited (a lending business in which the Company had previously invested) had extended a £1.3 million loan which, together with another Puma VCT, provided a facility of £2.6 million to RPE FL1 Limited, a member of the Renewable Power Exchange group. The facility provided funding towards the construction of a 1.5MW wind farm in East Lothian, Scotland, with the electricity once generated, used to supply those on low incomes in the local community. The loan is secured on the site in East Lothian and is earning an attractive rate of interest. We are pleased to report that the turbines are operating well, generating electricity and EBITDA is in line with forecasts. In accordance with the planned amortisation schedule, the loan balance now stands at £1.092 million.

As previously reported, Latimer Lending Limited (a lending business in which the Company had previously invested) had extended a £1.05 million loan to Churchill Homes (Aberdeen) Limited to provide funding towards the construction of a private detached housing development in the countryside outside Aberdeen. We are pleased to report that the loan was repaid in full during the period with an attractive return to the Company.

We are pleased to report that the £1.41 million 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 return to the Company.

To further manage liquidity, the Company has exposure to a £1.1 million bond issued by J Sainsbury plc and earning 6.5%.

### NET ASSET VALUE ('NAV')

The NAV per share at the period end was 97.78p after adding back dividends paid to date of 12p. The profit after tax of £83,000 represents a return for the period of 0.29p per ordinary share.

### 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

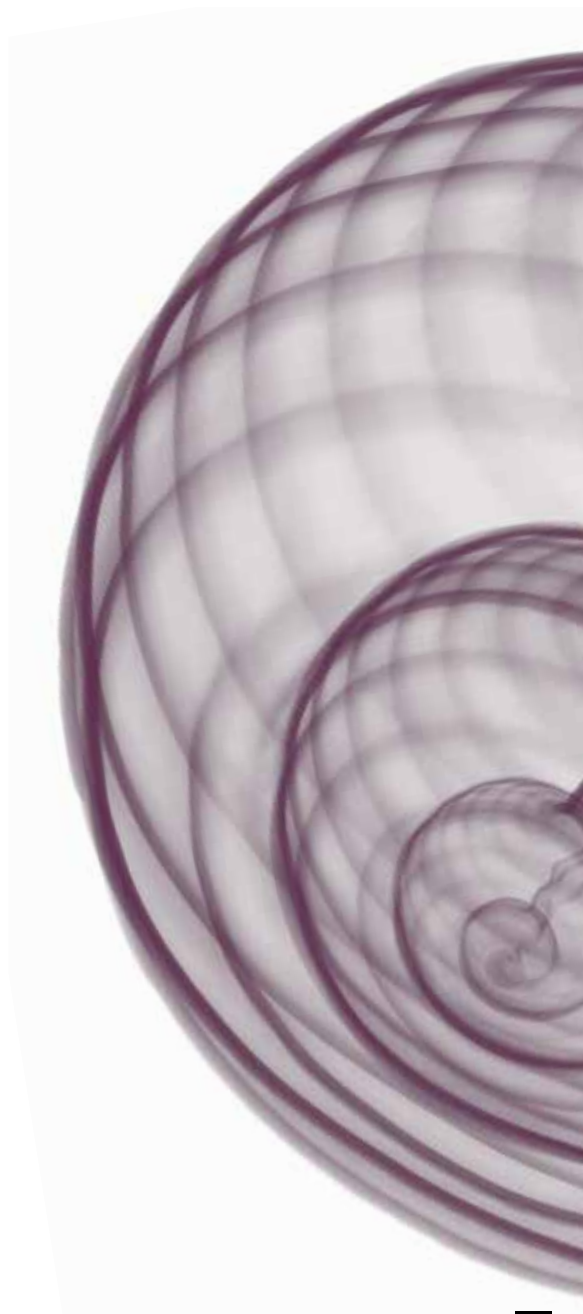
The economy in the UK may have become more fragile, especially in the light of recent political events. The consequences of this for the Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of the year.

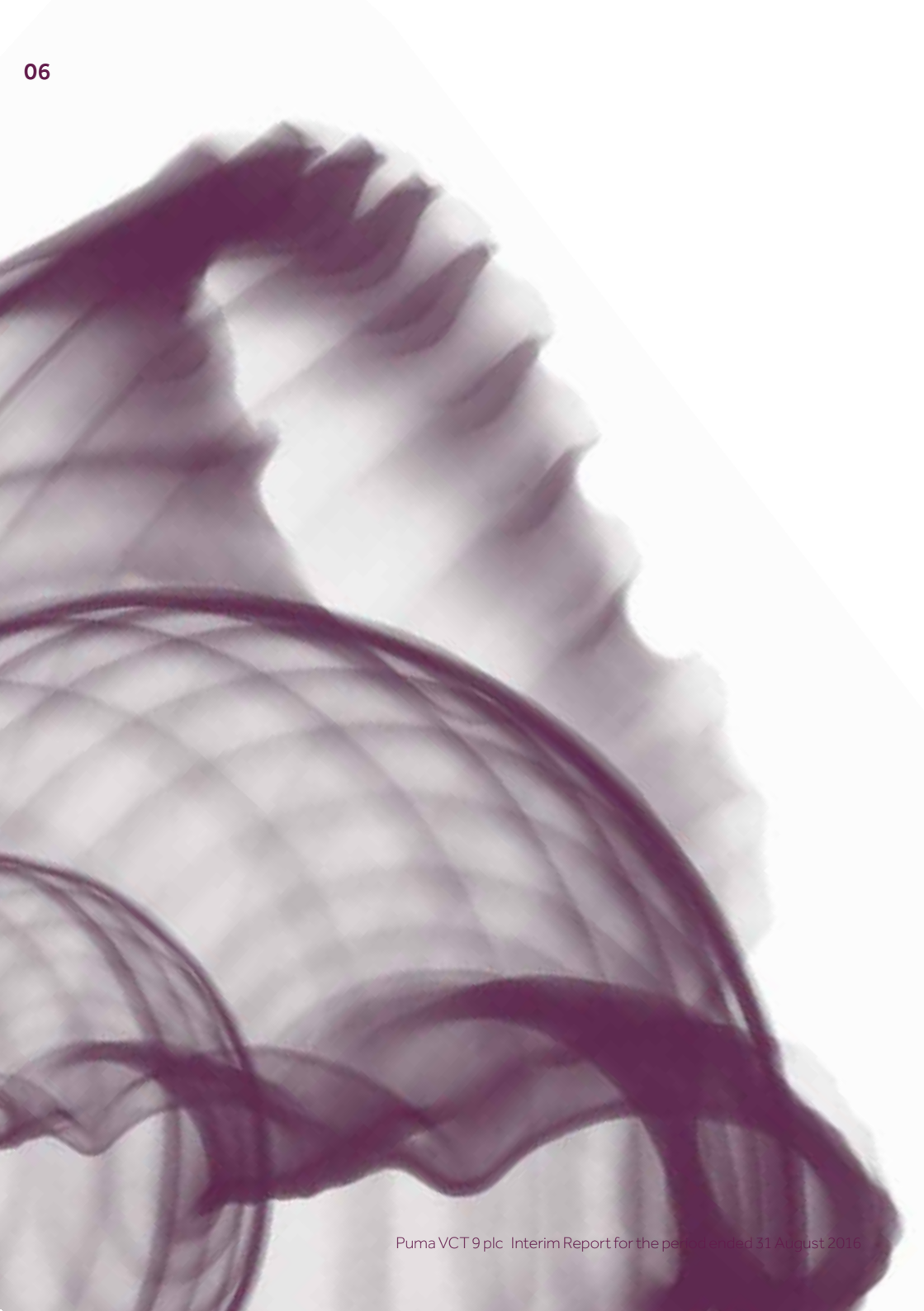
## OUTLOOK

The Company's net assets are fully deployed in a diverse range of high quality businesses and projects which should offer the prospect of further growth in net assets per share. Whilst there may be some further changes in the composition of the portfolio to ensure that the Company continues to satisfy its HMRC qualifying targets, the Board expects to concentrate in the future primarily on the monitoring of our existing investments and considering the options for exits.

**Egmont Kock**  
**Chairman**

30 November 2016







# Income Statement (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2016

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	Note	Six months ended 31 August 2016			Six months ended 30 June 2015			Period ended 29 February 2016		
		Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
Gain/(loss) on investments		-	78	78	-	(1)	(1)	-	(559)	(559)
Income		391	-	391	888	-	888	2,301	-	2,301
		391	78	469	888	(1)	887	2,301	(559)	1,742
Investment management fees	4	(60)	(180)	(240)	(67)	(201)	(268)	(153)	(459)	(612)
Other expenses		(138)	-	(138)	(141)	-	(141)	(282)	-	(282)
		(198)	(180)	(378)	(208)	(201)	(409)	(435)	(459)	(894)
Return/(loss) on ordinary activities before taxation		193	(102)	91	680	(202)	478	1,866	(1,018)	848
Tax on return on ordinary activities		(28)	20	(8)	(112)	-	(112)	(373)	83	(290)
Return/(loss) on ordinary activities after tax attributable to equity shareholders		165	(82)	83	568	(202)	366	1,493	(935)	558
Basic and diluted Return/(loss) per Ordinary Share (pence)	2	0.58p	(0.29p)	0.29p	2.01p	(0.72p)	1.30p	5.29p	(3.31p)	1.98p

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 30 June 2015 £'000	As at 29 February 2016 £'000
<b>Fixed Assets</b>				
Investments	6	21,609	20,756	21,531
<b>Current Assets</b>				
Debtors		2,812	1,763	2,472
Cash		347	3,745	635
		3,159	5,508	3,107
<b>Creditors - amounts falling due within one year</b>		(535)	(611)	(488)
<b>Net Current Assets</b>		2,624	4,897	2,619
<b>Total Assets less Current Liabilities</b>		24,233	25,653	24,150
<b>Creditors - amounts falling due after more than one year (including convertible debt)</b>		(1)	(1)	(1)
<b>Net Assets</b>		24,232	25,652	24,149
<b>Capital and Reserves</b>				
Called up share capital		282	282	282
Capital redemption reserve		1	1	1
Capital reserve – realised		(1,248)	(931)	(1,088)
Capital reserve – unrealised		(479)	19	(557)
Revenue reserve		25,676	26,281	25,511
<b>Equity Shareholders' Funds</b>		24,232	25,652	24,149
<b>Net Asset Value per Ordinary Share</b>	3	85.78p	90.81p	85.49p
<b>Diluted Net Asset Value per Ordinary Share</b>	3	85.78p	90.81p	85.49p

# Cash Flow Statement (unaudited)

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**FOR THE PERIOD ENDED 31 AUGUST 2016**

	Six months ended 31 August 2016 £'000	Six months ended 30 June 2015 £'000	Period ended 29 February 2016 £'000
<b>Operating activities</b>			
Profit on ordinary activities before tax	83	366	558
Taxation	8	112	290
Unrealised (gains)/losses on investments	(78)	1	577
(Increase) in debtors	(340)	(744)	(1,453)
Increase/(decrease) in creditors	39	139	(162)
<b>Net cash outflow from operating activities</b>	<b>(288)</b>	<b>(126)</b>	<b>(190)</b>
<b>Capital expenditure and financial investment</b>			
Purchase of investments	-	-	(5,200)
Proceeds from sale of investments	-	1,161	5,010
<b>Net cash inflow/(outflow) from capital expenditure and financial investment</b>	<b>-</b>	<b>1,161</b>	<b>(190)</b>
<b>Equity dividend paid</b>	<b>-</b>	<b>(1,695)</b>	<b>(3,390)</b>
<b>Decrease in cash</b>	<b>(288)</b>	<b>(660)</b>	<b>(3,770)</b>
Net cash at start of the period	635	4,405	4,405
<b>Net funds at the period end</b>	<b>347</b>	<b>3,745</b>	<b>635</b>



# 10 Reconciliation of Movements in Shareholders' Funds (unaudited)

FOR THE PERIOD ENDED 31 AUGUST 2016

	Called up share capital £'000	Capital Redemption Reserve £'000	Capital reserve – realised £'000	Capital reserve – unrealised £'000	Revenue reserve £'000	Total £'000
Balance as at 1 January 2015	282	1	(730)	20	27,408	26,981
Total recognised (losses)/ gains for the period	-	-	(201)	(1)	568	366
Dividends paid	-	-	-	-	(1,695)	(1,695)
<b>Balance as at 30 June 2015</b>	282	1	(931)	19	26,281	25,652
Total recognised (losses)/ gains for the period	-	-	(175)	(558)	925	192
Realised on disposal			18	(18)		
Dividends paid	-	-	-	-	(1,695)	(1,695)
<b>Balance as at 29 February 2016</b>	282	1	(1,088)	(557)	25,511	24,149
Total recognised (losses)/ gains for the period	-	-	(160)	78	165	83
<b>Balance as at 31 August 2016</b>	282	1	(1,248)	(479)	25,676	24,232

# 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 return per share of 0.29p is based on the profit for the period of £83,000 and the weighted average number of shares in issue as at 31 August 2016 of 28,248,821.

## 3. NET ASSET VALUE PER SHARE

	As at 31 August 2016	As at 30 June 2015	As at 29 February 2016
Net assets	24,232,000	25,652,000	24,149,000
Shares in issue	28,248,821	28,248,821	28,248,821
<b>Net asset value per share</b>			
Basic	85.78p	90.81p	85.49p
Diluted	85.78p	90.81p	85.49p

## 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.

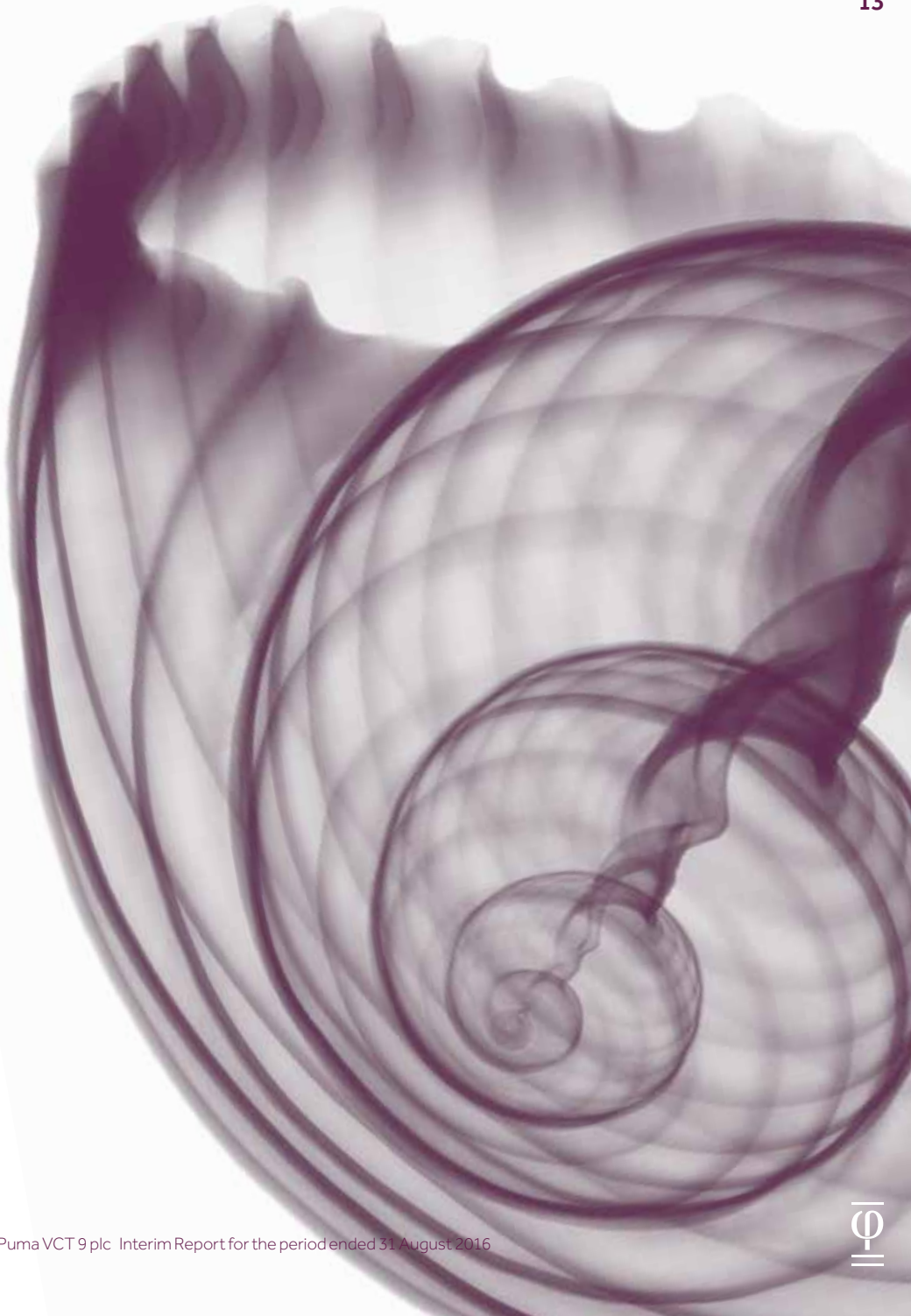
# 12 Notes to the Interim Report continued

FOR THE PERIOD ENDED 31 AUGUST 2016

## 6. INVESTMENT PORTFOLIO SUMMARY

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
<b>As at 31 August 2016</b>				
<b>Qualifying Investment - Unquoted</b>				
Jephcote Trading Limited	880	880	-	4%
Saville Services Limited	3,400	3,400	-	14%
Kinloss Trading Limited	3,500	3,500	-	14%
Alyth Trading Limited	3,200	3,200	-	13%
Urban Mining Limited	1,875	1,875	-	8%
Opes Industries Limited	3,068	3,600	(532)	13%
<b>Total Qualifying Investments</b>	<b>15,923</b>	<b>16,455</b>	<b>(532)</b>	<b>66%</b>
<b>Non-Qualifying Investments</b>				
Valencia Lending Limited	1,000	1,000	-	4%
Latimer Lending Limited	2,460	2,460	-	10%
Lothian Lending Limited	1,125	1,125	-	5%
<b>Total Non-Qualifying investments</b>	<b>4,585</b>	<b>4,585</b>	<b>-</b>	<b>19%</b>
<b>Liquidity Management</b>				
J Sainsbury Plc Bond (via Latimer Lending Limited)	1,101	1,048	53	5%
<b>Total Liquidity Management investments</b>	<b>1,101</b>	<b>1,048</b>	<b>53</b>	<b>5%</b>
<b>Total Investments</b>	<b>21,609</b>	<b>22,088</b>	<b>(479)</b>	<b>1</b>
<b>Balance of Portfolio</b>	<b>2,623</b>	<b>2,623</b>	<b>-</b>	<b>10%</b>
<b>Net Assets</b>	<b>24,232</b>	<b>24,711</b>	<b>(479)</b>	<b>100%</b>

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





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