

**Puma VCT 8 plc**  
**Interim Report**

**For the period ended 30 June 2013**

## **Officers and Professional Advisers**

### **Directors**

Sir Aubrey Brocklebank (Chairman)  
David Brock  
Graham Shore

### **Secretary**

Eliot Kaye

### **Registered Number**

07696739

### **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 Audit LLP  
Chartered Accountants  
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

### **Custodian**

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

## **Chairman's Statement**

### **Introduction**

During the six months to 30 June 2013, the Company was active in deploying its cash resources in both qualifying and non-qualifying investments. In doing so, it focused on its mandate to exploit the opportunities which are arising as a result of tight credit markets.

### **Qualifying Investments**

As reported in the Company's previous annual report, in December 2012 the Company completed a £450,000 investment (as part of a £1.5 million financing with other Puma VCTs) into Brewhouse and Kitchen Limited ("B&K"). I am pleased to report that during the period, the Company invested a further £480,000 (as part of £1.6 million across the Puma VCTs) into B&K, taking total exposure to £930,000. B&K is managed by two highly experienced pub sector professionals and our funding will facilitate the acquisition of freehold pubs and install a micro brewery within the main area of each pub. The investment is largely in the form of senior debt, secured with a first charge over the business and each freehold site acquired. Funds can be utilised to a maximum 65% loan-to-value ratio, and are expected to produce an attractive return to the Company.

In the previous period, the Company invested £2 million into two contracting companies, Isaacs Trading Limited ("Isaacs") and Jephcote Trading Limited ("Jephcote"). Isaacs joined a limited liability partnership with other contracting companies and entered into its first contracting contract with FreshStart Living. The fund has committed up to £476,000 (as part of a £3.5 million project involving other companies backed by Puma VCTs) of project management and contracting services in connection with the development and construction by FreshStart Living of 116 apartments at a property called Trafford Press, two miles south east of Manchester city centre. We understand that the directors of Isaacs and Jephcote are considering several other opportunities to deploy their financial resources in the short to medium term.

On 21 August the Company invested £450,000 into Saville Services Limited, another contractor which is currently undertaking a range of projects. The Company's investment is likely to be deployed to develop up to 20 apartments for supported living for psychiatric and learning disabled service users in Grimsby, North East Lincolnshire.

There are currently several other suitable qualifying investments in legal process. The Investment Manager therefore expects to make further qualifying investments in the second half of the year to ensure the Company is on course to meet its HMRC qualifying target.

### **Non-Qualifying Investments**

During the period, the Company completed a £650,000 non-qualifying loan (as part of a £1.3 million financing with other Puma VCTs for Countywide Property Holdings Limited (“CPHL”), a business with a strong track record of acquiring greenfield and brownfield sites for residential and commercial development. The loan is secured on a 5.6 acre site, including a large house, in Brackley near Silverstone. The loan was extended on a sub-50% loan to value basis and is earning an attractive rate of interest which is being paid monthly. CPHL has exchanged contracts with one of the UK's largest house builders to sell the property, subject to planning permission being granted to develop up to 50 new homes on the site.

As reported in the Company's previous annual report, the Company extended a £881,000 loan to provide, together with other Puma VCTs, an innovative £2.5 million revolving credit facility to Organic Waste Management Trading Limited. The facility provides working capital for the purchase of used cooking oil for conversion into bio-diesel. The ultimate borrower owns a large oil refining plant near Birkenhead and is processing cooking oil to sell to petrol and diesel retailers who are obligated to include bio-fuels in their offerings. The facility is structured to mitigate risks by being capable of being drawn only once back-to-back purchase and sale contracts have been entered into with approved counterparties. The facility bears interest at a substantial rate for utilised funds and a lower rate for non-utilised funds. The facility has been performing well over the period.

The Company's £1,420,000 non-qualifying loan (as part of a £4 million financing with other Puma VCTs) to Puma Brandenburg Finance Limited, a subsidiary of Puma Brandenburg Limited, continues to perform. The loan is secured on a portfolio of flats in the middle class area of central Berlin, Germany. Since the loan was made, the property market in this area of Berlin has been very strong, further enhancing the excellent security we have for this loan. The loan attracts a fixed interest rate at a good coupon.

The Company continues to hold £750,000 in a Tesco Bank 8 year bond traded on the London Stock Exchange bearing a 5% per annum coupon. This bond is currently trading at a premium to the issue price.

## **Dividends**

As set out in the accounts for the period ended 31 December 2012, the Company declared a dividend of 5p per ordinary share for that period which was paid on 25 February 2013. Reflecting this recent payout, your Board is not proposing a further dividend at this interim stage but still intends to pay out a dividend of 5p per ordinary share each year as envisaged in the Company's prospectus.

## **Net Asset Value ('NAV')**

The NAV per share at the period end was 88.17p (93.17p after adding back the 5p dividend paid on 25 February 2013).

## **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**

Although the economy in the UK is showing signs of improvement, it remains fragile. The consequences of this for the Company's investment portfolio constitute the principal risk and uncertainty for the Company in the second half of 2013.

## **Outlook**

The Investment Manager has a strong pipeline of deals and a number of these are in legal process. Therefore there is a strong flow of further opportunities likely to lead to suitable investments. 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.

**Sir Aubrey Brocklebank**  
**Chairman**  
**30 August 2013**

## Income Statement (unaudited)

For the period ended 30 June 2013

Note	Six months ended 30 June 2013			Period ended 30 June 2012			Period ended 31 December 2012			
	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000	
(Loss)/gain on investments	-	(17)	(17)	-	39	39	-	61	61	
Income	177	-	177	28	-	28	158	-	158	
	177	(17)	160	28	39	67	158	61	219	
Investment management fees	(28)	(84)	(112)	(18)	(54)	(72)	(48)	(144)	(192)	
Performance fees	-	-	-	-	-	-	-	-	-	
Other expenses	(95)	-	(95)	(36)	-	(36)	(172)	-	(172)	
	(123)	(84)	(207)	(54)	(54)	(108)	(220)	(144)	(364)	
Return/(loss) on ordinary activities before taxation	54	(101)	(47)	(26)	(15)	(41)	(62)	(83)	(145)	
Tax on return on ordinary activities	-	-	-	5	(5)	-	-	-	-	
Return/(loss) on ordinary activities after tax attributable to equity shareholders	54	(101)	(47)	(21)	(20)	(41)	(62)	(83)	(145)	
Basic and diluted Return/(loss) per Ordinary Share (pence)	2	0.42p	(0.79p)	(0.37p)	(0.16p)	(0.16p)	(0.32p)	(0.91p)	(1.23p)	(2.14p)

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 2013

	Note	As at 30 June 2013 £'000	As at 30 June 2012 £'000	As at 31 December 2012 £'000
<b>Fixed Assets</b>				
Investments	7	6,659	2,789	5,546
<b>Current Assets</b>				
Debtors		116	14	67
Cash		4,576	9,363	6,498
<b>Creditors - amounts falling due within one year</b>		4,692 (46)	9,377 (69)	6,565 (118)
<b>Net Current Assets</b>		4,646	9,308	6,447
<b>Total Assets less Current Liabilities</b>		11,305	12,097	11,993
<b>Creditors - amounts falling due after more than one year (including convertible debt)</b>		(1)	(1)	(1)
<b>Net Assets</b>		11,304	12,096	11,992
<b>Capital and Reserves</b>				
Called up share capital		128	128	128
Share premium account		12,009	12,009	12,009
Capital reserve – realised		(213)	(60)	(128)
Capital reserve – unrealised		28	39	45
Other reserve		-	-	-
Revenue reserve		(648)	(20)	(62)
<b>Equity Shareholders' Funds</b>		11,304	12,096	11,992
<b>Net Asset Value per Ordinary Share</b>	3	88.17p	94.35p	93.54p
<b>Diluted Net Asset Value per Ordinary Share</b>	3	88.17p	94.35p	93.54p

## Cash Flow Statement (unaudited)

For the period ended 30 June 2013

	Six months ended 30 June 2013 £'000	Period ended 30 June 2012 £'000	Period ended 31 December 2012 £'000
<b>Operating activities</b>			
Loss on ordinary activities before tax	(47)	(41)	(145)
Losses/(gains) on investments	17	(39)	(61)
Increase in debtors	(49)	(14)	(67)
(Decrease)/increase in creditors	(72)	56	105
<b>Net cash outflow from operating activities</b>	<b>(151)</b>	<b>(38)</b>	<b>(168)</b>
<b>Corporation tax paid</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Capital expenditure and financial investment</b>			
Purchase of investments	(1,130)	(2,750)	(6,501)
Proceeds from sale of investments	-		1,016
<b>Net cash outflow from capital expenditure and financial investment</b>	<b>(1,130)</b>	<b>(2,750)</b>	<b>(5,485)</b>
<b>Equity dividend paid</b>	<b>(641)</b>	<b>-</b>	<b>-</b>
<b>Financing</b>			
Proceeds received from issue of ordinary share capital	-	12,441	12,441
Expenses paid for issue of share capital	-	(304)	(304)
Proceeds received from issue of redeemable preference shares	-	13	13
Proceeds received from convertible loan notes	-	1	1
<b>Net cash inflow from financing</b>	<b>-</b>	<b>12,151</b>	<b>12,151</b>
<b>(Decrease)/increase in cash</b>	<b>(1,922)</b>	<b>9,363</b>	<b>6,498</b>
Net cash at start of the period	6,498	-	-
<b>Net funds at the period end</b>	<b>4,576</b>	<b>9,363</b>	<b>6,498</b>

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

For the period ended 30 June 2013

	Called up share capital £'000	Share premium account £'000	Capital reserve - realised £'000	Capital reserve - unrealised £'000	Revenue reserve £'000	Total £'000
Balance as at 1 January 2012						-
Shares issued in the period	128	12,693	-	-	-	12,821
Expense of share issue	-	(684)	-	-	-	(684)
Total recognised (losses)/gains for the period	-	-	(60)	39	(20)	(41)
Dividends paid	-	-	-	-	-	-
Balance as at 30 June 2012	128	12,009	(60)	39	(20)	12,096
Total recognised (losses)/gains for the period	-	-	(68)	6	(42)	(104)
Realisation of valuations from prior period	-	-	-	-	-	-
Dividends paid	-	-	-	-	-	-
Balance as at 31 December 2012	128	12,009	(128)	45	(62)	11,992
Total recognised (losses)/gains for the period			(85)	(17)	55	(47)
Dividends paid					(641)	(641)
Balance as at 30 June 2013	128	12,009	(213)	28	(648)	11,304

## Notes to the Interim Report

### For the period ended 30 June 2013

#### 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").

#### 2. Return per Ordinary Share

The total loss per share of 0.37p is based on the loss for the period of £47,000 and the weighted average number of shares in issue as at 30 June 2013 of 12,820,839 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 30 June 2013	As at 30 June 2012	As at 31 December 2012
Net assets	11,304,000	12,096,000	11,992,000
Shares in issue	12,820,841	12,820,841	12,820,841
<b>Net asset value per share</b>			
Basic	88.17p	94.35p	93.54p
Diluted	88.17p	94.35p	93.54p

#### 4. Management fees

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

#### 5. Related Party Transactions

Related party transactions are described in the 2012 Annual Report and Accounts on page 36. There were no other related party transactions during the six months ended 30 June 2013.

6. The financial information for the period ended 30 June 2013 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.

## Notes to the Interim Report continued

### For the period ended 30 June 2013

#### 7. Investment portfolio summary

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
<b>As at 30 June 2013</b>				
<b>Qualifying Investment - Unquoted</b>				
Brewhouse & Kitchen	930	930	-	8%
Isaacs Trading Limited	1,000	1,000	-	9%
Jephcote Trading Limited	1,000	1,000	-	9%
<b>Total Qualifying Investments</b>	<b>2,930</b>	<b>2,930</b>	<b>-</b>	<b>26%</b>
<b>Non-Qualifying Investments</b>				
Organic Waste Management Limited <sup>1</sup>	881	881	-	8%
Tesco personal finance bond	778	750	28	7%
Puma Brandenburg Finance Limited	1,420	1,420	-	13%
Countrywide Property Holdings Limited <sup>2</sup>	650	650	-	6%
<b>Total Non-Qualifying investments</b>	<b>3,729</b>	<b>3,701</b>	<b>28</b>	<b>34%</b>
<b>Total Investments</b>	<b>6,659</b>	<b>6,631</b>		<b>60%</b>
<b>Balance of Portfolio</b>	<b>4,645</b>	<b>4,645</b>		<b>40%</b>
<b>Net Assets</b>	<b>11,304</b>	<b>11,276</b>	<b>-</b>	<b>100%</b>

1. Via a loan to Buckhorn Lending Limited
2. Via a loan to Latimer Lending Limited

Copies of this Interim Statement will be posted to shareholders in due course and made available on the website:  
<http://www.shorecap.gg/alternative-asset-management/puma-vcts/information>