Puma Alpha VCT plc
Annual report and accounts 2021

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COMPANIES HOUSE

Registered number: 11939975

Officers and Professional Advisers

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Egmont Kock (Chairman)
Richard Oirschot
Michael van Messel

Secretary
Paul Frost

Registered Number
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HIGHLIGHTS

- Raised £4.7m during the year, with a further £3.7m raised post year end
- Five additional qualifying investments made
- 18% increase in Net Asset Value ("NAV") to 116.10p per share

CHAIRMAN'S STATEMENT

I am pleased to present the report and financial statements for Puma Alpha VCT plc ('the Company') for the year to 28 February 2021.

Overview

The Company's NAV per share at the end of the year stood at 116.10p, a 17.83p and 18% uplift from the same time in the previous year. This uplift has been driven by impressive performance across a number of the Company's qualifying investments, which is particularly satisfying given the prevailing market conditions. The overall NAV movement arises from those uplifts less set-up fees and running costs. The Company has not to-date held listed equities or other liquidity management tools outside cash, so has not suffered from associated volatility. The Company's profit for the year was £1.6m (2020: £0.1m).

Fundraising

We are happy to report that at the year end the Company had raised £4.7m, and since the year end a further £3.7m has been raised. This gives the Company material additional deployable funds and will help spread fixed costs over a wider shareholder base. This level of fundraising compared favourably to the other VCTs in the market that were launched at the same time as the Company and are therefore seen as relatively new. This leaves the Company in a good position to continue to develop a robust portfolio.

Investment Activity and Portfolio

We are pleased to report that it has been an active year for the Company with five qualifying investments having been made in the period, alongside other Puma managed funds. These investments were: £0.6m into TicTrac, an app-based health and wellness solution for employers and insurance companies; £0.95m into MyKindaCrowd, a Human Resources technology company; £1.1m into premium athleisure wear brand, Ron Dorff; £0.9m into product design and technology business, Ostmodern; and £1.0m into international fleet and vehicle safety technology provider CameraMatics. This brings the overall number of qualifying investments to seven.

Of note was the fact that the Manager completed these investments during periods of extreme uncertainty arising from the Covid-19 pandemic. This included an investment in March 2020, at the outset of the crisis, and four more across the last quarter of 2020 and first quarter of 2021. In fact, the Manager increased pace of deployment during the period compared with the previous period, taking advantage of the Company's proportionally higher levels of free investable cash versus peers. This was a period marked by general retrenchment of investment appetite, as other VCTs struggled to gauge the follow-on funding needs of their relatively larger portfolios. As such, the investments were made at what already looks to be highly advantageous pricing compared with today's market conditions.

Within the portfolio, Le Col, the Company's premium cycling clothing investment, continued to perform very strongly and has been written up accordingly. Tictrac, the Company's health and wellness app investment, has also been written up in value, despite having been held for less than one year, aided by the highly favourable deal structure the Investment Manager secured. The sector has gained significant traction during the past year as individuals and employers increasingly incorporate health and wellbeing into their daily routines. In addition, there has also been a focus on providing staff welfare solutions via scalable digital technology, such as that offered by Tictrac.

At the time of writing, the Company has over £5m ready to deploy. This, together with the fact that the VCT is still relatively new and therefore not burdened with a large legacy portfolio to defend, positions the Company well to continue taking advantage of the post Covid landscape. The Investment Manger continues to see several hundred investment opportunities a year, and your Board is optimistic that the rapid deployment the Company has enjoyed to-date will continue. The investment team has heads of terms agreed for two further potential investments, which gives us confidence that we will continue to make good progress this year. Allocation of non-qualifying holdings will continue to be considered by the Investment Manager as the economic outlook and global policy response to the Covid-19 crisis continue to evolve.

Net Asset Value

The Company's NAV per share stood at 116.10p (2020: 98.27p) at the year end of 28 February 2021. This reflects the upwards revaluations, totalling £1.9m, of the Company's qualifying investments in Le Col and TicTrac, less running costs.

VCT qualifying status

PricewaterhouseCoopers LLP ("PwC") provides the Board and the Investment Manager with advice on the ongoing compliance with HMRC rules and regulations concerning VCTs and has reported no issues in this regard for the Company to date. PwC and other specialist advisors will continue to assist the Investment Manager in establishing the status of potential investments as qualifying holdings. PwC will continue to monitor rule compliance and maintaining the qualifying status of the Company's holdings in the future.

Outlook

In the face of the pandemic, the concern for most of the last year was the collapse of economic activity and falling prices, not to mention considerable uncertainty. As the pandemic pressures have started to ease, the macro-economic impact of the crisis is becoming more apparent. There are concerns that a strong recovery will lead to supply shortages. This would send commodity prices higher and in turn create pressure for central banks to raise interest rates, with downside implications for equity values. Despite this, economists and policy makers generally see current price pressures as a temporary phenomenon and are expecting strong growth with inflationary pressures receding. It is nevertheless clear that a degree of uncertainty remains, although compared to this time last year, there are more reasons to feel optimistic.

What does this mean for Puma Alpha VCT? Perhaps most importantly, compared with others in the market, this VCT is relatively new and agile, and therefore can adapt quickly to a volatile economic environment when developing its portfolio. Notwithstanding the impact of the pandemic, the UK continues to benefit from an active and well-established SME market in which the Manager has a strong reputation as a provider of capital. This applies especially to well-managed, later-stage SMEs where bank lending, despite some policy support, continues to remain challenging for even the best of these businesses. This, alongside the institutional support the Manager is able to offer, continues to make for a compelling equity offer from the Company. Notwithstanding the ongoing uncertainty, we are confident that the Company continues to be well-positioned to assemble a portfolio capable of delivering attractive returns to shareholders.

Egmont Kock
Chairman
30 June 2021

INVESTMENT MANAGER'S REPORT

Introduction

The Covid-19 pandemic (or, more specifically, the policy response to it) accelerated existing trends in many areas of life. Examples range from remote working, to ecommerce growth, to the application of scalable digital solutions to health, education and staff management.

But there were also some core macroeconomic trends that have been accelerated. As we went into the pandemic at the beginning of 2020, we were discussing as our core outlook a high debt, low interest rate, low inflation model often loosely categorised as 'Japanification'. In a low growth, low interest rate environment, innovative, fast growing companies tend to attract high values. Essentially, it is easier to buy growth in such an environment than to create it organically. Also, large cash-rich incumbents experience the same issue as the rest of us, that yield on cash is unacceptably low. Overall, such an environment is supportive of small company investing, as it is stimulative of exits at good valuations.

Now, as we hopefully emerge from Covid period, it is as if we have been accelerated forwards on that trajectory by several years. Our debt levels are very much higher and interest rates are still very low. In fact, we risk being in a position where the governments and Central Banks of the Western world (now more entwined than they have been for probably 30 years) cannot afford to raise interest rates. That raises material concerns about inflation, consideration of which we formally upweighted in our investment analysis during February of this year.

There is also considerable Brexit dislocation still to be digested by the economy, huge levels of stimulus to be carefully unwound, and significant geopolitical tension. In short, this remains an uncertain investment environment.

Further, this has not been a 'conventional' recession. At the onset of the Covid crisis the government position was highly fluid, and we went through a very challenging time supporting portfolio companies where we were trying to plan through what seemed like a constantly changing policy environment. Since that initial phase though, Government support – particularly via the Furlough scheme, but also through the various guaranteed loan schemes – has been simply enormous.

That government support saved the economy, and was undoubtedly a necessary corollary of lockdown, but it means that, in our view, one would be unwise to assume that we are now in an early cycle recovery phase like any other.

The Company is early in its life and so has a high proportion of investable cash. This means that it can react to changes quickly and meaningfully, rather than having a high proportion of assets in an illiquid legacy portfolio. The Company is also of a size where performance in a particular portfolio holding can have a meaningful impact on overall valuation.

We have a highly involved and hands-on approach to portfolio management. This keeps us close to the management teams that the Company has backed and allows us to help them through challenges that arise. This, coupled with a focus on genuine multi-sector diversity, has served the Company well over the period being reported on.

Investments

Qualifying Investments

Le Col Holdings Limited – Sports Apparel
Le Col is a premium cycling apparel brand founded by former professional cyclist, Yanto Barker. Based in the UK and exporting to 50 countries, Le Col owns its own factory in Italy, increasing its manufacturing and supply chain control.

Having grown strongly for several years since initial investment by the Puma Funds, Le Col entered the Covid-19 crisis with a strong platform. Like all businesses, Le Col faced great uncertainty in the initial stages of the crisis but experienced a boom in sales following lockdown due to an increased focus on exercise and particular emphasis on cycling. Online sales performed exceptionally strongly over the period, driven by a number of successful marketing initiatives throughout the year.

These included a multi-sport Strava challenge which received more than 500,000 sign-ups, partnerships with Wahoo (an indoor cycling kit brand), Zwift rides (an online cycling training programme) and ongoing sponsorship of Team Bahrain McLaren, a leading Grand Tour team. In particular, the sponsorship of Team Bahrain McLaren has been successful in attracting a number of new customers to the brand.

As evidence of Le Col's continued success, in October 2020 the business won the 'Best Leisure, Fitness & Outdoors eCommerce' award at the eCommerce Awards 2020. Moving forwards, it plans to make supply chain improvements to cope with increased demand, including moving to larger premises in Italy where a significant portion of Le Col's stock is manufactured.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£4.85m	£3.80m
Alpha VCT investment participation	£0.72m	£0.45m
Alpha VCT Equity Valuation	£2.41m	£0.63m
Multiple of Investment Cost	3.34x	1.40x

Dymag Group – High performance wheel manufacturer
Dymag is a British designer and manufacturer of high-performance car and motorbike wheels, with a specific focus on carbon fibre wheels. The business continues to grow its presence, both in the aftermarket through relationships with several leading US distributors, and through project work with several leading performance 'original equipment manufacturers' (OEM). Dymag's wheels have been featured on several notable supercar and hypercar projects, and in October 2020, Dymag's hybrid forged alloy and carbon fibre wheels were used on the SSC Tuatara when it successfully set a new world speed record for a production car. The Tuatara reached a top speed of 331.15mph on a closed road in Nevada, USA.

The Company's investments have supported an ongoing process of driving efficiencies in Dymag's production processes to lower unit cost, including relocation to a new factory in Chippenham which was open and fully operational by mid-February 2021. Investment has also been used to develop a more sophisticated sales and marketing function.

Dymag managed to continue production throughout lockdown but suffered from complications around staffing and supply chain. Order volumes were also impacted as driving and racing activities were curtailed and trade fairs were cancelled. However, Dymag proactively focused on deepening its distributor relationships and working through engineering projects with long lead times.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£5.65m	£4.80m
Alpha VCT investment participation	£0.60m	£0.48m
Alpha VCT Equity Valuation	£0.60m	£0.48m
Multiple of Investment Cost	1.00x	1.00x

TicTrac Limited – Health Engagement Platform
TicTrac is a personalised health and wellness platform that provides exclusive content to its users, as well as taking information from their wearable fitness trackers to give targeted feedback and action plans. TicTrac has gathered powerful evidence that use of its platform reduces sedentary behaviour amongst large workforces, with associated positive outcomes for engagement and wellbeing.

TicTrac's main customers are large insurance companies, such as Aviva, Allianz and Prudential, Generali Employee Benefits and Bupa Hong Kong. During 2020, TicTrac also launched a software as a service (SaaS) offer, selling direct to corporates, again for the provision of the TicTrac platform to staff as an employee benefit.

The Covid-19 pandemic accelerated an already prevalent focus on health and wellness, highlighting the need for flexible, scalable digital solutions. These trends are very positive for TicTrac. Whilst corporate spending was scrutinised in most areas during 2020, TicTrac's multi-year contracts with large insurers provided a buffer from this scrutiny and afforded the business with good levels of revenue visibility. Coupled with the investment from Puma funds (and co-investment partner Aviva Ventures) the business has been able to remain in growth mode and continue developing the skillsets it needs for expansion.

Post period end, the company has announced some significant client wins, again on valuable multi-year contracts. This year the business will continue to grow its staff base across the sales, account management, product and technology teams, with a focus on scaling and refining sales and marketing strategy.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£5.00m	-
Alpha VCT investment participation	£0.60m	-
Alpha VCT Equity Valuation	£1.05m	-
Multiple of Investment Cost	1.74x	-

MySafeDrive Limited ('CameraMatics') – Fleet and Vehicle Safety Technology
CameraMatics provides an award-winning solution for risk management within large fleets of vehicles. Working across Ireland, the UK and US, the business is positioned at the forefront of fleet and vehicle safety technology. Its disruptive solution incorporates artificial intelligence, machine learning, camera technology, vision systems and telematics to help fleet operators reduce risks and drive new safety standards. The business has grown steadily since launching and now has a number of largescale clients who offer significant opportunities for further growth. The market fit and credibility of CameraMatics' offering was evidenced by its triple digit percentage growth in recurring revenue in 2020 despite the Covid-19 pandemic limiting the business's ability to drive on-the-ground sales.

Since investment, business performance has been far greater than outlined in the initial business plan. Regulation has driven greater product adoption due to the introduction of the Direct Vision Standard for commercial vehicles, which was launched in 2019 and measures how much an HGV driver can see directly through their cab windows. Following its implementation, CameraMatics has seen an uptick in business.

The business's focus for the rest of the year is to: scale up an effective sales team; enhance and grow its marketing function; and build on an already robust pipeline of international opportunities.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£2.16m	-
Alpha VCT investment participation	£1.00m	-
Alpha VCT Equity Valuation	£1.00m	-
Multiple of Investment Cost	1.00x	-

NQOCD Consulting Limited ('Ron Dorff') – Premium Athleisurewear
Ron Dorff is a well-respected premium bodywear brand, having been voted one of the best three swimwear brands for men in 2020 by Vogue Magazine, and one of the top-10 best underwear brands for men by GQ Magazine. It counts Michael Fassbender, Orlando Bloom and Alexander Skarsgard, amongst others, as brand ambassadors.

Having launched in 2012, Ron Dorff has five own-brand stores in London, Paris and Berlin, and a network of over 70 high-end wholesale partners globally. It has a committed omnichannel sales approach with its website selling to customers in over 80 countries. Our investment will be used to support the company's growth strategy and expansion into the US, where e-commerce trends have indicated significant untapped demand for the product. Ron Dorff will open a flagship Manhattan store and distribution centre in September 2021.

Over the period, e-commerce and wholesale sales had significant uplift on the prior year. This performance was encouraging, given that independent and wholesale stores in UK, France and Germany were forced to close for their respective periods of lockdown. To boost online sales further, the business has invested in new systems such as website migration to optimise the shopping experience for customers in all countries.

Post period end, the store in London was able to open in March, and Paris stores in May. Pleasingly, sales in March were 85% ahead of the prior year, which compensated for store closures in Berlin and Paris. The business had continued success, with April representing its strongest ever sales month driven by e-commerce performance.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£3.59m	-
Alpha VCT investment participation	£1.08m	-
Alpha VCT Equity Valuation	£1.08m	-
Multiple of Investment Cost	1.00x	-

MyKindaCrowd Limited – Human Resources Technology
MyKindaFuture (MKF) is an award-winning Human Resources technology company specialising in helping underrepresented talent to gain employment. Through its Connectr 2.0 platform, MKF provides large corporates with a comprehensive digital engagement tool to increase attraction and retention rates amongst potential graduate hires and apprentices. MKF partners with organisations such as Deloitte, Cisco, the NHS, Thalys and National Grid to help recruit young people from a wider range of social backgrounds than typically delivered by traditional channels.

The Connectr 2.0 platform also incorporates one-to-one digital mentoring, which is a new feature that is rapidly gaining commercial traction. It is particularly well suited to the distanced working practices that are likely to be significantly more widespread post Covid, as it offers large employers a digital and scalable solution for career development and mentoring, even in a remote working world.

Trading through the period remained strong, with particularly rapid growth in recurring digital revenues. In February 2021, just prior to the period end, the company launched a pilot program with the Department for Work and Pensions that trialled the Connectr 2.0 platform in Job Centre Plus locations across London and the South-East, ahead of a possible nationwide roll-out. This places Connectr 2.0 at the centre of networks of potential employees, each of whom is exposed to the platform and is a potential customer. This trial has already led to client wins and is a hugely exciting opportunity for the business.

	2021	2020
Total investment by all funds managed by Puma Investment Management Limited	£3.70m	-
Alpha VCT investment participation	£0.95m	-
Alpha VCT Equity Valuation	£0.95m	-
Multiple of Investment Cost	1.00x	-

ABW Group Limited ('Ostmodern') – Digital Product and Design Technology
Ostmodern has been at the forefront of innovation in digital product development for over 10 years, creating video platforms for some of the world's leading

media, broadcast and sport brands. For example, the company worked with Formula One (F1), creating a world-class streaming service. They led F1's first ever direct-to-consumer product, delivering live and on-demand race content, including all drivers' on-board cameras, broadcast to 108 countries. Ostmodern also designed and built Arsenal's new suite of digital products. The business has also completed other projects for hayu, the subscription-based video streaming service and All4, Channel 4's on-demand video streaming service.

The Company's investment will accelerate the growth of Ostmodern's Skylark Platform. Developed in-house, the unique platform is the company's CMS, VMS and API for content-first businesses.

Since investment, Ostmodern has started transitioning processes and professionalising its structure to focus on separating the product side of the business, Skylark, from the services side of the business. Through the Skylark platform, the business seeks to significantly reduce the setup costs and deployment times it can offer customers, consequently allowing the platform to be applicable to a broader target market.

	2021	**2020**
Total investment by all funds managed by Puma Investment Management Limited	£2.00m	-
Alpha VCT investment participation	£0.90m	-
Alpha VCT Equity Valuation	£0.90m	-
Multiple of Investment Cost	1.00x	-

Investment Strategy

We are pleased to have invested the Company's funds in a diverse range of businesses. We remain focused on generating strong risk adjusted returns for the Company. We remain confident that our portfolio and our diligent, hands-on approach to portfolio management, mean we are well-positioned to deliver positive returns to shareholders over time.

Puma Investment Management Limited
30 June 2021

Investment Portfolio Summary
As at 28 February 2021

	Valuation £'000	Cost £'000	Gain/(loss) £'000	Valuation as a % of Net Assets
Qualifying Investments				
ABW Group Limited ('Ostmodern')	900	900	-	9%
Dymag Group Limited	603	603	-	6%
Le Col Holdings Limited	2,405	719	1,686	24%
MyKindaCrowd Limited	950	950	-	9%
MySafeDrive Limited ('CameraMatics')	995	995	-	10%
NQOCD Consulting Limited ('Ron Dorff')	1,079	1,079	-	11%
Tictrac Limited	1,045	600	445	10%
Total Qualifying Investments	7,977	5,846	2,131	79%
Total Investments	7,977	5,846	2,131	79%
Balance of Portfolio	2,056	2,056	-	21%
Net Assets	**10,033**	**7,902**	**2,131**	100%

Of the investments held at 28 February 2021, all are incorporated in England and Wales, except MySafeDrive Limited which was incorporated in Ireland.

Significant investments

Dymag Group Limited	
Cost (£'000)	603
Investment comprises:	
Ordinary shares	603
Debt	-
Valuation method	Cost
Valuation (£'000)	603
Income received by the Company from this holding in the period (£'000)	-
Source of financial data	Unaudited accounts for the period ended 5 January 2020
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net liabilities (£'000)	(1,643)
Proportion of equity held	9%
Proportion of voting rights held	6%
Proportion of equity managed by Puma Investment Management Limited ^	73%

Dymag Group Limited is a British, elite motorbike and car wheel designer and manufacturer. Its wheels are steeped in the heritage of racing and now feature on some of the most expensive motorbikes and cars in the world. The equity held in Dymag Group Limited are F, I, J, L and M Ordinary Shares. Only I and L shares attract full voting rights.

Le Col Holdings Limited	
Cost (£'000)	719
Investment comprises:	
Ordinary shares	719
Debt	-
Valuation method	Multiples
Valuation (£'000)	2,405
Income received by the Company from this holding in the period (£'000)	-
Source of financial data	Unaudited accounts for the period ended 29 December 2019
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net assets (£'000)	5,105
Proportion of equity held	8%
Proportion of voting rights held	7%
Proportion of equity managed by Puma Investment Management Limited ^	54%

Le Col Holdings Limited is a leading British cycling brand founded by ex-professional cyclist Yanto Barker in 2011. The company brings high-performance cycling kit to consumers with a quality formerly reserved for professionals. The equity held in Le Col Holdings Limited is E and G Ordinary Shares. Only E shares attract full voting rights.

^ May not accurately reflect voting rights

Tictrac Limited

Cost (£'000)	600
Investment comprises:	
Ordinary shares	600
Debt	-
Valuation method	Multiples
Valuation (£'000)	1,045
Income received by the Company from this holding in the year (£'000)	-
Source of financial data	Unaudited accounts for the year ended 31 December 2020
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net liabilities (£'000)	4,105
Proportion of equity held	4%
Proportion of voting rights held	3%
Proportion of equity managed by Puma Investment Management Limited ^	36%

Tictrac Limited offers an advanced health and wellness app for insurance companies and corporate clients to provide to their user bases. The app integrates data from wearable technology, delivering it to end users in a digestible format to drive up levels of engagement and increase customer loyalty. The equity held in the company is A and B shares. Only A shares attract full voting rights.

MyKindaCrowd Limited

Cost (£'000)	950
Investment comprises:	
Ordinary shares	950
Debt	-
Valuation method	Cost
Valuation (£'000)	950
Income received by the Company from this holding in the year (£'000)	-
Source of financial data	Audited accounts for the year ended 31 January 2021
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net assets (£'000)	1,061
Proportion of equity held	26%
Proportion of voting rights held	11%
Proportion of equity managed by Puma Investment Management Limited ^	99%

MyKindaCrowd Limited is a digital platform working with large corporates to improve engagement of potential graduates and apprentices. The platform works with companies such as Deloitte and Cisco to help them recruit young people from a wider range of social backgrounds than their traditional channels. The equity held in MyKindaCrowd Limited is A and C Ordinary Shares. Only A shares attract full voting rights.

^ May not accurately reflect voting rights

NQOCD Consulting Limited

Cost (£'000)	1,079
Investment comprises:	
Ordinary shares	1,079
Debt	-
Valuation method	Cost
Valuation (£'000)	1,079
Income received by the Company from this holding in the year (£'000)	-
Source of financial data	Unaudited accounts for the year ended 31 December 2020
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net assets (£'000)	7,473
Proportion of equity held	30%
Proportion of voting rights held	10%
Proportion of equity managed by Puma Investment Management Limited ^	100%

NQOCD Consulting Limited (trading as Ron Dorff) is a premium menswear brand operating across Europe and the USA. The equity held in the company is A and B shares. Only A shares attract full voting rights.

ABW Group Limited

Cost (£'000)	900
Investment comprises:	
Ordinary shares	900
Debt	-
Valuation method	Cost
Valuation (£'000)	900
Income received by the Company from this holding in the year (£'000)	-
Source of financial data	Unaudited accounts for the year ended 30 June 2020
Turnover (£'000)	Not disclosed
Profit before tax (£'000)	Not disclosed
Net assets (£'000)	8
Proportion of equity held	36%
Proportion of voting rights held	14%
Proportion of equity managed by Puma Investment Management Limited ^	80%

ABW Group Limited has been at the forefront of innovation in digital product development for over 10 years, creating video platforms for some of the world's leading media, broadcast and sport brands. The equity held in the company is A and B Ordinary Shares. Only A shares attract full voting rights.

^ May not accurately reflect voting rights

MySafeDrive Limited	
Cost (£'000)	995
Investment comprises:	
Ordinary shares	995
Debt	-
Valuation method	Cost
Valuation (£'000)	995
Income received by the Company from this holding in the year (£'000)	-
Source of financial data*	
Turnover (£'000)	N/A
Profit before tax (£'000)	N/A
Net assets (£'000)	N/A
Proportion of equity held	33%
Proportion of voting rights held	9%
Proportion of equity managed by Puma Investment Management Limited ^	72%

MySafeDrive Limited provides an award-winning solution for risk management within large fleets of vehicles. Working across Ireland, the UK and US, the business is positioned at the forefront of fleet and vehicle safety technology. Its disruptive solution incorporates artificial intelligence, machine learning, camera technology, vision systems and telematics to help fleet operators reduce risks and drive new safety standards. The equity held in the company is B and C Ordinary Shares. Only B shares attract full voting rights.

* The company is yet to file accounts at Companies House

^ May not accurately reflect voting rights

Directors' Biographies

Egmont Kock (Non-executive chairman)

Egmont was previously a partner at Deloitte where he served both on Deloitte Consulting's Global Executive and on Deloitte's UK Executive and European Board. He led Deloitte's consultancy business across the Europe, Middle East and Africa regions, working with CEOs and senior executives implementing change in major companies and institutions around the world. He has since invested in start up businesses, and is currently Chairman of Doodle Productions Limited, a company which is producing a new animated cartoon series for the BBC. He was until recently Chairman of Puma VCT 9 plc, and has been actively involved in education, both as a trustee of United Learning and the Chair of Governors at a leading girls' school. He has a degree from the University of Manchester, is a member of the Institute of Chartered Accountants in England and Wales and has completed a business school programme at IMD in Lausanne.

Richard Oirschot

Richard previously established and managed the Barclays Ventures Turnaround Investment Fund, leading over 25 investments and being the fund's representative on 15 SME boards (predominantly in the UK). Since leaving Barclays he has undertaken various management and advisory roles, including serving as a non-executive member on the board of The Insolvency Service. He has over 20 years of experience in corporate recovery working for UK accountancy firms focused on the UK SME sector including 7 years as a director for PKF. He is a Fellow of the Institute of Chartered Accountants in England and Wales and holds a BSc in Economics with Accountancy from Loughborough University.

Michael van Messel

Michael joined Shore Capital in 1993 as Group Financial Controller and became Operations Director in 2000. He is the head of Shore Capital's finance team, including its treasury function, and is also responsible for all operations at Shore Capital including all banking facilities. Michael has been involved in assessing, and subsequently monitoring, each company to or in which Shore Capital has lent or invested money.

He began his career at Hacker Young following his undergraduate degree and qualified as a Chartered Accountant. He then worked as a specialist in their tax department and, subsequently, for Coopers and Lybrand within its financial services group.

Strategic Report

The Directors present their Strategic Report of the Company for the year ended 28 February 2021. The purpose of the report is to inform members of the company and help them assess how the directors have performed their duty to promote the success of the company.

Principal Activities and Status

The Company was incorporated on 11 April 2019. 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 Section 274 of the Income Tax Act 2007 as a Venture Capital Trust. The Directors have managed, and continue to manage, the Company's affairs in such a manner as to comply with Section 274 of the Income Tax Act 2007. The Company's ordinary shares of 0.01p each were listed on the Official List of the UK Listing Authority on 5 June 2020.

Business model and strategy

The Company operates as a VCT to enable its shareholders to benefit from tax reliefs available. The Directors aim 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. The Company's strategy is set out in the Investment Policy set out below.

Investment Policy

Puma Alpha VCT plc seeks to achieve its overall investment objective (of proactively managing the assets of the fund with an emphasis on realising gains in the medium term) to maximise distributions from capital gains and income generated from 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 or a similar market or be unquoted companies. The Company may invest in a diversified portfolio of growth orientated qualifying companies which seek to raise new capital on flotation or by way of a secondary issue. The Company will target investments in unquoted companies with a strong and experienced management team, a proposition that is commercially validated through sales volume, a clear and comprehensive plan for growth, and operating in a well-defined market niche with proven market fit. The Company must have in excess of 80% of its assets invested in qualifying investments as defined for VCT purposes by 28 February 2022.

The portfolio of non-qualifying investments will be managed with the intention of ensuring the Company has sufficient liquidity to invest in Qualifying Investments as and when opportunities arise. Subject to the Board and 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, secured loans, bonds, equities, vehicles investing in property and funds of funds or on cash deposit.

A full text of the Company's investment policy can be found within the Company's prospectus at www.pumainvestments.co.uk.

Strategic Report (continued)

Principal risks and uncertainties

The Board have carried out a robust assessment of the Company's emerging and principal risks, including those that might threaten the Company's business model, future performance, solvency or liquidity and reputation. The Board receives regular reports from the Investment Manager and uses this information along with their own knowledge and experience to identify any emerging risks, so that appropriate procedures can be put in place to manage or mitigate such risks.

The principal risks facing the Company relate to its investment activities, specifically market price risk, as well as interest rate risk, credit risk and liquidity risk. An explanation of these risks and how they are managed is contained in note 13 to the financial statements. Additional risks faced by the Company are as follows:

COVID-19 – On 11 March 2020, the World Health Organisation declared COVID-19 a global pandemic and on 23 March 2020, the UK Government imposed a lockdown on the whole population. There is a significant risk that COVID-19 will materially impact the Company's investments. The Investment Manager has maintained close contact with all investee companies throughout the pandemic. Further details of the investments are set out in the Chairman's Statement and the Investment Manager's Report on pages 1 to 9. The pandemic has significantly impacted the UK economy and has caused, and may continue to cause, a material change in the fair value of the Company's investments.

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 by the Board of the investment mandate and long term investment strategy 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 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. The Board receives quarterly reports in order to monitor compliance with regulations.

In addition, to the principal risks explained above, the principal uncertainty that may affect the Company relate to material changes to the VCT regulations. The Board will continue to monitor this and take appropriate action if required.

Risk management

The Company's investment policy allows for a large proportion of the Company's assets to be held in unquoted investments. These investments are not publicly traded so there is not a liquid market for them. 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;
- ensuring a spread of investments is achieved.

Business Review and Future Developments

The Company's business review and future developments are set out in the Chairman's Statement, the Investment Manager's Report and Investment Portfolio Summary on pages 1 to 10.

Strategic Report (continued)

Key performance indicators
At each board meeting, the Directors consider a number of performance measures to assess the Company's success in meeting its objectives. The Board believes the Company's key performance indicators are movement in Net Asset Value per ordinary share and Total Return per ordinary share. The Board considers that the Company has no non-financial key performance indicators. In addition, the Board considers the Company's compliance with the Venture Capital Trust Regulations to ensure that it will maintain its VCT status. An analysis of the Company's key performance indicators and the performance of the Company's portfolio and specific investments is included in the Chairman's Statement, the Investment Manager's Report and the Investment Portfolio Summary on pages 1 to 10.

Viability statement
The Directors have conducted a robust assessment of the principal risks facing the Company including those that would threaten its business model, future performance, solvency or liquidity. This is summarised above. The Directors have assessed the prospects of the Company for the three-year period from the balance sheet date. This is a period for which developments are considered to be reasonably foreseeable. This review included consideration of compliance with VCT regulations, the Company's current financial position and expected cash flows for the period and the current economic outlook, including the ongoing impact of COVID-19.

Based on this review, the Directors have concluded that there is a reasonable expectation that the Company has adequate cash resources to enable it to continue in operation and meet its liabilities as they fall due over the three-year period to 29 February 2024.

Section 172 Statement - Duty to promote the success of the company
Section 172 of the Companies Act requires directors of a company to act in the way they consider, in good faith, would be most likely to promote the success of the company for the benefit of its members as a whole, and in doing so have regard (amongst other matters) to:

(a) the likely consequences of any decision in the long term,
(b) the interests of the company's employees,
(c) the need to foster the company's business relationships with suppliers, customers and others,
(d) the impact of the company's operations on the community and the environment,
(e) the desirability of the company maintaining a reputation for high standards of business conduct, and
(f) the need to act fairly as between members of the company.

This section of the Strategic Report also sets out the disclosures required in respect how the company engages with suppliers, customers and others in a business relationship with the company.

The company does not have any employees and delegates day to day operations to service providers. The board's principal concern is to focus on the needs and priorities of its shareholders as well as considering the wider community including the company's service providers and its investee companies (as disclosed in the Investment Manager's Report on pages 4 to 9). The board consider that the company's shareholders are its customers and its suppliers are the service providers.

The Annual Report as a whole sets out how the board promotes the success of the company for the benefit of its shareholders. The board is focused on high standards of business conduct and recognises the need to act fairly between shareholders.

The board engages with the investment manager at every board meeting to ensure that there is a close and constructive working relationship and a good understanding of the investee companies. The company also engages regularly with its other service providers. The board ensures that the interests of current and potential stakeholders and the impact of the company's investments on the wider community and the environment are taken into account when decisions are made.

Strategic Report (continued)

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

Compliance with the VCT regulations (as described in the Investment Policy) for the year under review is summarised as follows:

		Position at 28 Feb 2021
1.	The Company has invested 30% of funds raised in an accounting period, in qualifying companies within 12 months after the end of the accounting period;	Complied
2.	The Company holds at least 80% of its investments in qualifying companies;	**N/A***
3.	At least 70% of the Company's qualifying investments are held in "eligible shares";	**N/A***
4.	No investment constitutes more than 15% of the Company's portfolio at time of investment;	Complied
5.	The Company's income for each financial year is derived wholly or mainly from shares and securities;	Complied
6.	The Company distributes sufficient revenue dividends to ensure that not more than 15% of the income from shares and securities in any one year is retained; and	Complied
7.	A maximum unit size of £5 million in each VCT qualifying investment (per tax year).	Complied

* test to be met by 28 February 2022 and all accounting periods thereafter.

Directors and employees
The Company has not disclosed any information about, or policies in relation to, employees as it has no employees (other than the Directors). All of the directors are male.

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 environmental matters or social, community and human rights issues.

Approved by the board and signed on its behalf by

Egmont Kock
Chairman
30 June 2021

Directors' Report

The Directors present their annual report and the audited financial statements of the Company for the year ended 28 February 2021. The Company's Registered Number is 11939975.

The Company has, in accordance with S.414C of the Companies Act, set out in the Strategic Report, information regarding financial risk management, future developments and the engagement with suppliers, customers and others in a business relationship with the company that would otherwise be set out in the Directors' Report.

Results and dividends

The results for the financial year are set out on page 35. The Directors will not propose a resolution at the Annual General Meeting to pay a final dividend (2020: nil). 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.

Post balance sheet events

Details of material post balance sheet events are set out in note 17 to the financial statements.

Capital Structure

The issued share capital of the Company is detailed in note 11 to the financial statements. Details of share voting rights and authority to repurchase ordinary shares are disclosed in the Corporate Governance Statement on page 27.

Directors

The Directors of the Company during the year and their beneficial interests in the issued ordinary shares of the Company at 28 February 2021 were as follows:

	1p ordinary shares	
	28 February 2021	**29 February 2020**
Egmont Kock (Chairman)	20,600	-
Richard Oirschot	20,600	10,300
Michael van Messel	20,600	-

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.

Investment management, administration and performance fees

The Company has delegated the investment management of the portfolio to Puma Investment Management Limited (Puma Investments). The principal terms of the Company's management agreement with Puma Investments are set out in note 2 to the financial statements. The annual running costs of the Company are subject to a cap of 3.5% of the Company's Net Assets.

Puma Investments also provide company secretarial and other accounting and administrative support to the Company for an aggregate annual fee of 0.35% of the Net Assets of the Fund at each quarter end, payable quarterly in arrears.

The Investment Manager will also be entitled to a performance incentive fee payable in relation to each accounting period, subject to the Performance Value per Share being at least 120p at the end of the relevant period. The amount of the performance incentive fee will be equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 120p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period. 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.

It is the Directors' opinion that the continued appointment of the Investment Manager, Puma Investments, on the terms agreed is in the best interest of the shareholders as a whole. The Investment Manager is part of the Shore Capital Group which has a proven track record in VCT management and has a strong network within the industry.

Directors' Report (continued)

Corporate governance statement
The Company's corporate governance statement is set on pages 25 to 28 and forms part of the Directors' Report.

Global greenhouse gas emissions
The Company has no physical assets, operations, premises or employees of its own. Consequently it consumed less than 40,000 kWh of energy during the year so has no greenhouse gas emissions to report from its operations, nor does it have responsibility for any other emissions producing sources under the Companies Act 2006 (Strategic Report and Directors' Report) Regulations 2013.

Going concern
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. After making enquiries, including consideration of the ongoing impact of COVID-19 on the Company's current financial position and expected cash flows for the period of the review, the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as the Company has adequate cash reserves to meet its running costs.

Financial Instruments
The material risks arising from the Company's financial instruments are market price risk, credit risk, liquidity risk and interest rate risk. The Board reviews and agrees policies for managing each of these risks and these are summarised in note 13 to the financial statements. 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 28 February 2021 and as at the date of this report, the Company had not been notified of any direct interests representing 3% or more of the issued share capital of the Company.

Third Party Indemnity Provision for Directors
Qualifying third party indemnity provision was in place for the benefit of all Directors of the Company.

Auditor
The Directors resolved that RSM UK Audit LLP be reappointed as auditor in accordance with the provisions of the Companies Act 2006, s489. RSM 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 each aware, there is no relevant audit 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.

Directors' Report (continued)

Annual General Meeting
The Annual General Meeting of the Company will be held at Cassini House, 57 St James's Street, London SW1A 1LD on 31 August 2021 at 4.00pm. Notice of the Annual General Meeting and Form of Proxy are inserted within this document.

Statement of Directors' Responsibilities
The Directors are responsible for preparing the Strategic Report, the Directors' Report, the Directors' Remuneration Report, 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 accounting 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.

Directors' statement pursuant to the Disclosure and Transparency Rules
Each of the Directors, whose names and functions are listed in the Directors' Biographies on page 15, confirms that, to the best of each person's 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/(loss) of the Company; and
b. the Chairman's Statement, Investment Manager's Report, the Strategic Report and Directors' Report contained in the Annual Report 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.

Directors' Statement regarding annual report and accounts
The Directors consider that the annual report and accounts, taken as a whole, is fair, balanced and understandable and provides the information necessary for shareholders to assess the Company's position and performance, business model and strategy.

Electronic publication
The financial statements are published on www.pumainvestments.co.uk, a website maintained by the investment manager. Legislation in the United Kingdom regulating the preparation and dissemination of the financial statements may differ from legislation in other jurisdictions.

On behalf of the Board

Egmont Kock
Chairman
30 June 2021

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 31 August 2021.

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 calibre to be recruited. Directors' fees payable during the year totalled £60,000 (excluding VAT) as set out in note 3 to the financial statements.

On 5 July 2019 the Directors were appointed for a period of twelve months after which either party must give three calendar months' notice to end the contract.

Directors' Remuneration

The Directors are all non-executive and received emoluments as detailed below:

	Unaudited Current Annual Fee *12 months*	**Audited Year ended 28 February 2021**	**Audited Year ended 29 February 2020***
	£	**£**	**£**
Egmont Kock (Chairman)	20,000	20,000	2,500
Richard Oirschot	20,000	20,000	2,500
Michael van Messel	20,000	20,000	2,500
	60,000	60,000	7,500

* Remuneration commenced for the Directors on 15 January 2020 being the date of the first share allotment.

These are the total emoluments. There are no pension contributions or share options. There is no requirement for the directors to hold shares in the Company. Directors' share interests are disclosed in the Directors' Report on page 20 (audited). Brief biographical notes on the Directors are given on page 15.

2021/22 Remuneration

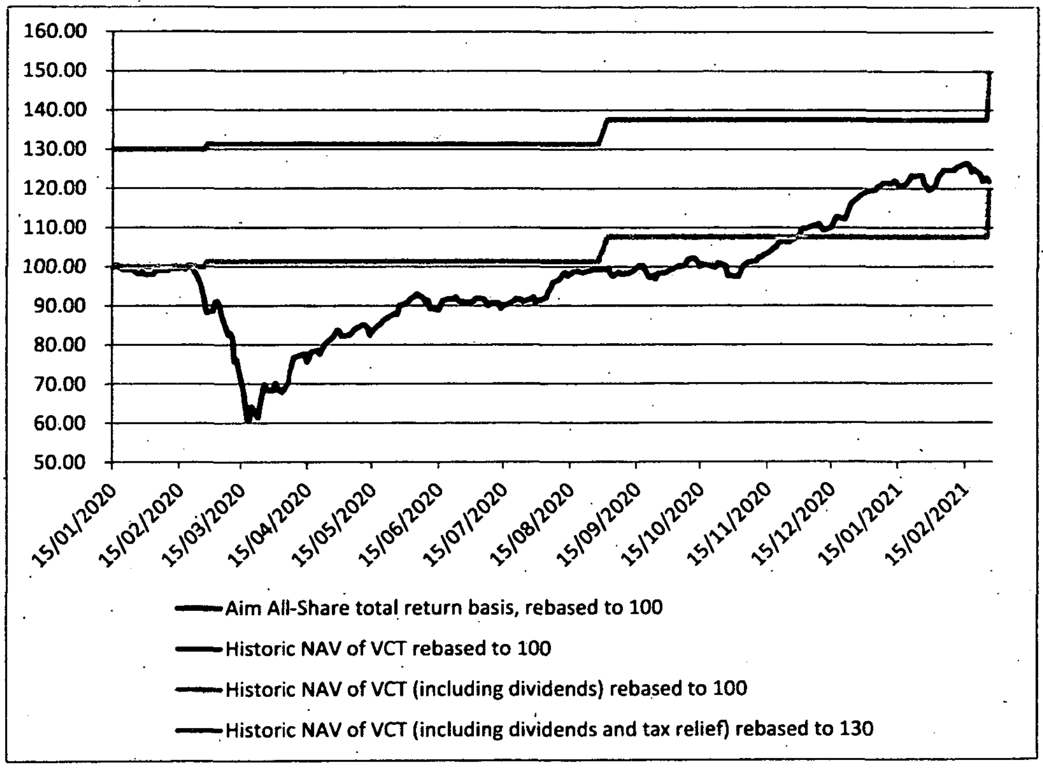
The remuneration levels for the forthcoming year are expected to be at the annual levels shown in the table above. The Directors shall be paid by the Company all travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties. The remuneration to be paid is as per the prospectus.

Directors' and Officers' liability insurance cover is held by the Company in respect of the Directors.

Directors' Remuneration Report (continued)

Performance Graph

The following chart represents the Company's performance from inception to 28 February 2021 and compares the rebased Net Asset Value to a rebased FTSE AIM All-Share Index. This index is considered to be the most appropriate equity market against which investors can measure the relative performance of the Company. This has been rebased to 100 at 15 January 2020, the first allotment date.



On behalf of the Board

Egmont Kock
Chairman
30 June 2021

Corporate Governance Statement

The Directors support the relevant principles of the UK Corporate Governance Code issued in July 2018 ("the Code") 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. Due to the VCT being an externally managed, some areas of the Code have not been complied with. These are set out in the Compliance Statement below.

The Board
The Company has a Board comprising three non-executive Directors. All Directors are independent as defined by the Code except for Michael van Messel as a result of his directorship in the parent of the Investment Manager and his shareholding in the ultimate parent company of the Investment Manager. The Board considers that all Directors have sufficient experience to be able to exercise proper judgement within the meaning of the Code. The Board has appointed Egmont Kock as the senior independent Director and he is also the Chairman. Biographical details of all Board members are shown on page 15.

In accordance with the recommendations of the Code, all the Directors will retire at the forthcoming Annual General Meeting and, being eligible, will offer themselves for re-election. The Board believe that all the Directors have made valuable contributions during the year and remain committed to the role. The Board therefore recommends that shareholders re-elect Egmont Kock, Richard Oirschot and Michael van Messel as directors at the forthcoming Annual General Meeting.

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; and
- reviewing, annually, the terms of engagement of all third-party advisers (including investment managers and administrators).

The attendance of individual Directors at full Board meetings during the year was as follows:

	Board meetings
Egmont Kock	4/4
Richard Oirschot	4/4
Michael van Messel	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 established a nominations committee or remuneration committee as they consider the Board to be small and comprises wholly of non-executive Directors. Appointments of new Directors and Directors' remuneration are dealt with by the full Board. The remuneration for 2021/22 for the Board will be as per the prospectus.

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 23, and this is subject to shareholder approval.

There had been no changes to the composition of the Board since the date of issue of the prospectus and there are no planned changes. As a result, the Company does not have plans in place for orderly succession to the Board and has not established a diversity policy for new appointments in relation to the composition of the Board.

Corporate Governance Statement (continued)

Audit Committee
The Audit Committee comprises the two independent non-executive directors. It is chaired by Richard Oirschot and meets annually with the external Auditor prior to approval of the Company's financial statements. There were two Audit Committee meetings during the year which were attended by both independent non-executive directors. The Audit Committee monitors the external Auditor's independence, the effectiveness of the audit process and other relevant matters. The Audit Committee receives written confirmation each year of the auditor's independence.

The Audit Committee 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 Audit Committee considers that the significant issues in relation to these financial statements relate to the carrying value and disclosure of the unquoted investments. The Audit Committee challenge findings and comments received from the Investment Manager on the financial performance of the investments.

The Audit Committee reviews and agrees the audit strategy paper, presented by the Auditor in advance of the audit, which sets out the significant risk areas to be covered during the audit. The Audit Committee meets prior to the approval of the financial statements to consider the Auditor's findings and challenges the work performed, especially in relation to unquoted investments.

RSM UK Audit LLP were appointed by the Board prior to the issue of the Prospectus. This is the Company's second Annual Report and Accounts and they have both been reported on by RSM UK Audit LLP. The Audit Committee, after taking into consideration comments from the Investment Manager and Administrator regarding the effectiveness of the audit process, recommend to the Board that RSM UK Audit LLP continues in office.

The Audit Committee approve the provision of any non-audit work prior to it being undertaken. No non-audit fees were charged during the year (2020: £nil).

The Audit Committee Terms of Reference are on the investment manager's website at www.pumainvestments.co.uk.

Relations with shareholders
Shareholders have the opportunity to meet representatives of the Investment Management team and the Board at the AGM. The Board is also happy to respond to any written queries made by shareholders, or to meet with 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. 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 Directors' Report on page 22, and a statement by the Auditor about their reporting responsibilities is set out in the Auditor's Report on pages 29 to 34.

Corporate Governance Statement (continued)

Internal control
The Board is responsible for the Company's system of internal controls which have been designed to provide reasonable, but not absolute, assurance against material misstatement or loss. The Board is responsible for ensuring that the procedures to be followed by the advisers and the Directors are in place, and for reviewing the effectiveness of the system of internal controls on a regular basis to ensure that the controls remain relevant and are operating effectively. The Board will implement additional controls if they consider it appropriate to do so.

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 and risk management systems. As part of this process, an annual review of the internal control and risk management systems is carried out in accordance with the Financial Reporting Council guidelines for internal control. There were no problems identified from the Directors' annual review of the internal control and risk management systems.

Although the Board is 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 adviser:

Investment Management and Administration Puma Investment Management Limited

Puma Investment Management Limited identifies investment opportunities and monitors the portfolio of investments and makes recommendations to the Board in terms of suggested disposals and further acquisitions. Puma Investment Management Limited holds a discretionary investment mandate for all investments, although qualifying investments decisions are all approved by the Board.

Puma Investment Management Limited is also engaged to carry out the accounting function and manages the retention of physical custody of the documents of title relating to unquoted investments. Any quoted investments will be in CREST.

Internal control systems include production and review of monthly management accounts. Both the annual and interim report are reviewed and approved by the board. All outflows made from the VCT's bank accounts require the authority of two signatories from Puma Investments, the Investment Manager. The Investment Manager is subject to regular review by the Shore Capital Compliance Department.

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 ordinary shares rank pari passu as to rights to attend and vote at any general meeting of the Company. The Company's ordinary shareholders do not have differing voting rights. Further details of the Company's rules are set out in the Company's prospectus at www.pumainvestments.co.uk.

Repurchase of Ordinary shares
Although the Ordinary Shares are traded on the London Stock Exchange, there is likely to be an illiquid market and in such circumstances Shareholders may find it difficult to sell their Ordinary Shares in the market. In order to try to improve the liquidity in the Ordinary Shares, the Board may establish a buy back policy whereby the Company will purchase Ordinary Shares for cancellation.

The Board has authority to make market purchases of the Company's own shares. This authority for up to 882,589 of the Company's issued share capital was granted at the last Annual General Meeting. A resolution will be put to the next Annual General Meeting to renew this authority.

Gearing
The Board has the authority to borrow up to 50% of the amount received from the issued share capital but there are currently no plans to take advantage of this authority.

Corporate Governance Statement (continued)

Compliance statement

The Listing Rules require the Board to report on compliance with the Code provisions throughout the accounting year. The UK Corporate Governance Code includes provisions relating to the role of the chief executive, executive directors' remuneration, senior management and employees and the need for an internal audit function. The Board considers that these provisions are not relevant to the Company, as the Company has no executive directors, employees or internal operations and all of the Company's day-to-day management and administrative functions are outsourced to third parties. As a result, the Company has therefore not reported further in respect of these provisions. With the exception of the items outlined below, the Company has complied throughout the accounting year ended 28 February 2021 with the other provisions set out in the Code. Due to the special nature of the Company being a VCT, the following provisions of the Code have not been complied with:

a) Provisions 21 and 22 - Due to the size of the Board, a formal annual performance evaluation of the Board, its committees and the individual Directors has not been undertaken. Specific performance issues are dealt with as they arise.

b) Provisions 17, 23, 32 and 33 - Due to the size of the Board and because there are no executive Directors or senior management, the Company does not have a nominations committee or remuneration committee. Since appointment there have been no changes to the Board of the Directors or the Directors' Remuneration. The board does not have plans in place for orderly succession to the board.

c) Provision 12 – Due to the size of the Board, the role of Chairman and Senior Independent Director are both performed by Egmont Kock. The recommendation in the Code is for the Senior Independent Director and Chairman to be separate positions on the Board. The Board believes that Egmont Kock's experience allows him to exercise proper judgement in distinguishing between the roles.

d) Provision 24 – Due to the size of the Board, the Chairman of the Company is also a member of the Audit Committee. The recommendation in the Code is that the Chairman of the Company should not be a member of the Audit Committee. The Board believes that Egmont Kock's experience allows him to exercise proper judgement in distinguishing between the roles.

On behalf of the Board

Egmont Kock
Chairman
30 June 2021

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

Opinion

We have audited the financial statements of Puma Alpha VCT plc for the year ended 28 February 2021 which comprise the income statement, the balance sheet, the statement of cash flows, the statement of changes in equity and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 28 February 2021 and of its profit 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.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed public interest entities and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the directors' assessment of the company's ability to continue to adopt the going concern basis of accounting included:

- reviewing, evaluating and challenging the company's going concern disclosures in note 1 to the financial statements and the company's viability statement on page 18 of the annual report; and
- corroborating the cash at bank held as at 28 February 2021 and at the date of approval of the financial statements.

Our key observation in relation to going concern is that the company has sufficient cash and listed investments to continue as a going concern for the foreseeable future.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

In relation to the entities reporting on how they have applied the UK Corporate Governance Code, we have nothing material to add or draw attention to in relation to the directors' statement in the financial statements about whether the directors considered it appropriate to adopt the going concern basis of accounting.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

An overview of the scope of our audit

The company has been subject to a full scope audit. The company is a single entity, subject to local statutory audit, and our audit work was designed to address the risks of material misstatements identified to the level of materiality indicated below.

Independent Auditor's Report to the Members of Puma Alpha VCT plc (continued)

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on the overall audit strategy, the allocation of resources in the audit and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Valuation of Unquoted Investments

Key audit matter description	As at 28 February 2021, unquoted investments were £8.0m (2020: £1.1m). These are held at fair value in accordance with the International Private Equity and Venture Capital Valuation Guidelines. These valuations involve material judgements and estimation and is a significant audit risk and for this reason it is considered to be a key audit matter. Unquoted investment disclosures are set out in notes 7 and 13 to the financial statements.
How the matter was addressed in the audit	Our audit procedures included: • Obtaining an understanding of the company's unquoted investments held at the year end, including reviewing underlying investment agreements and other relevant documentation. • Understanding and challenging the key assumptions and judgements affecting investee company valuations, including consideration of the appropriateness of the valuation basis and sensitivities. • Considering whether any other events that occurred subsequent to the period end affect the underlying assumptions of the valuations at 28 February 2021; and • Considering of the appropriateness of the disclosures in the financial statements in respect of unquoted investments.
Key observations	*Whilst we note that the inherent uncertainty of the estimated fair value of* the unquoted investments has increased since the COVID-19 outbreak, we have concluded that the carrying value of unquoted investments as at 28 February 2021 is acceptable.

Independent Auditor's Report to the Members of Puma Alpha VCT plc (continued)

Our application of materiality
When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

Overall materiality	£100,000 (2020: £39,000)
Basis for determining overall materiality	1% of net assets (2020: 1% of net assets)
Rationale for benchmark applied	Net asset value per share is one of the company's key performance indicators and considered to be one of the principal considerations for members of the company when assessing financial performance.
Performance materiality	£75,000 (2020: £29,000)
Basis for determining performance materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Quantitative misstatements in excess of £5,000 (2020: £2,000) together with any other misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Other information
The other information comprises the information included in the annual report other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions 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.

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Independent Auditor's Report to the Members of Puma Alpha VCT plc (continued)

Matters on which we are required to report by exception
In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the company, 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.

Corporate governance statement
The Listing Rules require us to review the directors' statement in relation to going concern, longer-term viability and that part of the Corporate Governance Statement relating to the company's compliance with the provisions of the UK Corporate Governance Statement specified for our review.

Based on the work undertaken as part of our audit, we have concluded that each of the following elements of the Corporate Governance Statement is materially consistent with the financial statements or our knowledge obtained during the audit:

- Directors' statement with regards the appropriateness of adopting the going concern basis of accounting and any material uncertainties identified set out on page 21;
- Directors' explanation as to its assessment of the company's prospects, the period this assessment covers and why this period is appropriate set out on page 18;
- Directors' statement on fair, balanced and understandable set out on page 22;
- Board's confirmation that it has carried out a robust assessment of the emerging and principal risks set out on page 17;
- The section of the annual report that describes the review of effectiveness of risk management and internal control systems set out on page 27; and,
- The section describing the work of the audit committee set out on page 26.

Responsibilities of directors
As explained more fully in the directors' responsibilities statement set out on page 22, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements
Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

Independent Auditor's Report to the Members of Puma Alpha VCT plc (continued)

The extent to which the audit was considered capable of detecting irregularities, including fraud
Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit.

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the audit engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the company operates in and how the company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected or alleged instances of fraud;
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud having obtained an understanding of the effectiveness of the control environment.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
Companies Act 2006 and the Listing Rules	Review of the financial statement disclosures and testing to supporting documentation; and Completion of disclosure checklists to identify areas of non-compliance.
VCT regulations	Review of annual monitoring report prepared by PricewaterhouseCoopers LLP, the Company's VCT tax adviser, and subsequent discussions with the tax adviser.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates (including the valuation of unquoted investments) are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report to the Members of Puma Alpha VCT plc (continued)

Other matters which we are required to address
We were appointed by the directors on 27 June 2019 to audit the financial statements for the period ending 29 February 2020 and subsequent financial periods. The period of total uninterrupted engagement is two years, covering the periods ending 29 February 2020 to 28 February 2021.

The non-audit services prohibited by the FRC's Ethical Standard were not provided to the company and we remain independent of the company in conducting our audit.

Our audit opinion is consistent with the additional report to the audit committee.

Use of our report
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.

RSM UK Audit LLP

RICHARD COATES (Senior Statutory Auditor)
For and on behalf of RSM UK Audit LLP, Statutory Auditor
Chartered Accountants
25 Farringdon Street
London
EC4A 4AB

30 June 2021

Income Statement
For the year ended 28 February 2021

	Note	Year ended 28 February 2021 Revenue £'000	Year ended 28 February 2021 Capital £'000	Year ended 28 February 2021 Total £'000	Period from 11 April 2019 to 29 February 2020 Revenue £'000	Period from 11 April 2019 to 29 February 2020 Capital £'000	Period from 11 April 2019 to 29 February 2020 Total £'000
Gain on investments	7 (b)	-	1,953	1,953	-	178	178
		-	1,953	1,953	-	178	178
Investment management fees	2	(33)	(99)	(132)	(2)	(6)	(8)
Other expenses	3	(180)	-	(180)	(36)	-	(36)
		(213)	(99)	(312)	(38)	(6)	(44)
Profit/(loss) before taxation		(213)	1,854	1,641	(38)	172	134
Taxation	4	-	-	-	-	-	-
Profit/(loss) and total comprehensive income for the year		(213)	1,854	1,641	(38)	172	134
Basic and diluted Return/(loss) per Ordinary Share (pence)	5	(3.34p)	29.11p	25.77p	(1.08p)	4.89p	3.81p

All items in the above statement derive from continuing operations.

There are no gains or losses other than those disclosed in the Income Statement.

The total column of this statement is the Statement of Total Comprehensive Income of the Company prepared in accordance with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. The supplementary revenue and capital columns are prepared in accordance with the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued by the Association of Investment Companies.

Balance Sheet
As at 28 February 2021

	Note	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Fixed Assets			
Investments	7	7,977	1,103
Current Assets			
Debtors	8	29	585
Cash		2,060	2,455
		2,089	3,040
Creditors - amounts falling due within one year	9	(33)	(206)
Net Current Assets		2,056	2,834
Total Assets less Current Liabilities		10,033	3,937
Net Assets		10,033	3,937
Capital and Reserves			
Called up share capital	11	86	40
Share premium account		8,172	3,763
Capital reserve – realised		(105)	(6)
Capital reserve – unrealised		2,131	178
Revenue reserve		(251)	(38)
Total Equity		10,033	3,937
Net Asset Value per Ordinary Share	12	116.10p	98.27p

The financial statements on pages 35 to 49 were approved and authorised for issue by the Board of Directors on 30 June 2021 and were signed on their behalf by:

Egmont Kock
Chairman

Statement of Cash Flows
For the year ended 28 February 2021

	Year ended 28 February 2021 £'000	Period from 11 April 2019 to 29 February 2020 £'000
Reconciliation of profit after tax to net cash generated from/(used in) operating activities		
Profit after tax	1,641	134
Gain on investments	(1,953)	(178)
Increase in debtors	(16)	(13)
(Decrease)/increase in creditors	(10)	43
Net cash generated from/(used in) operating activities	(338)	(14)
Cash flow from investing activities		
Purchase of investments	(4,921)	(925)
Net cash used for investing activities	(4,921)	(925)
Cash flow from financing activities		
Proceeds received from issue of ordinary share capital	5,164	3,381
Proceeds from issue of redeemable preference shares	-	13
Redemption of preference shares	(13)	-
Expense paid for issue of share capital	(287)	-
Net cash generated from financing activities	4,864	3,394
Net (decrease)/increase in cash and cash equivalents	(395)	2,455
Cash and cash equivalents at the beginning of the period	2,455	-
Cash and cash equivalents at the end of the period	2,060	2,455

Statement of Changes in Equity
For the year ended 28 February 2021

	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 11 April 2019	-	-	-	-	-	-
Shares issues in the period	40	3,966	-	-	-	4,006
Expenses of share issues	-	(203)	-	-	-	(203)
Total comprehensive income for the period	-	-	(6)	178	(38)	134
Balance as at 29 February 2020	**40**	**3,763**	**(6)**	**178**	**(38)**	**3,937**
Shares issues in the year	46	4,694	-	-	-	4,740
Expenses of share issues	-	(285)	-	-	-	(285)
Total comprehensive income for the year	-	-	(99)	1,953	(213)	1,641
Balance as at 28 February 2021	**86**	**8,172**	**(105)**	**2,131**	**(251)**	**10,033**

Distributable reserves comprise: Capital reserve-realised, Capital reserve-unrealised (excluding gains on unquoted investments) and the Revenue reserve. At the year end, distributable reserves were nil (2020: nil).

The Capital reserve-realised will include gains/losses that have been realised due to the sale of investments, net of related costs. The Capital reserve-unrealised represents the investment holding gains/losses and shows the gains/losses on investments still held by the Company not yet realised by an asset sale.

Share premium account represents premium on shares issued less issue costs.

The revenue reserve represents the cumulative revenue earned less cumulative distributions.

Notes to the Financial Statements
For the year ended 28 February 2021

1. Accounting Policies

Accounting convention
Puma Alpha VCT plc ("the Company") was incorporated in England on 11 April 2019 and is registered and domiciled in England and Wales. The Company's registered number is 11939975. The registered office is Cassini House, 57 St James's Street, London SW1A 1LD. The Company is a public limited company (limited by shares) whose shares are listed on LSE with a premium listing. The Company's principal activities and a description of the nature of the Company's operations are disclosed in the Strategic Report.

The financial statements have been prepared under the historical cost convention, modified to include investments at fair value, and in accordance with the requirements of the Companies Act 2006, including the provisions of the Large and Medium-sized Companies and Groups (Accounts and Reports) Regulations 2008 and with FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' ("FRS 102") and the Statement of Recommended Practice, 'Financial Statements of Investment Trust Companies and Venture Capital Trusts' issued in October 2019 by the Association of Investment Companies ("the SORP").

Monetary amounts in these financial statements are rounded to the nearest whole £1,000, except where otherwise indicated.

Going concern
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. After making enquiries, including consideration of the impact of COVID-19 on the Company's current financial position and expected cash flows for the period of the review, the Directors believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as the Company has adequate cash reserves to meet its running costs.

Investments
All investments are measured at fair value. They are all held as part of the Company's investment portfolio and are managed in accordance with the investment policy set out on page 16.

Listed investments are stated at bid price at the reporting date.

Unquoted investments are stated at fair value by the Directors with reference to the International Private Equity and Venture Capital Valuation Guidelines ("IPEV") as follows:

- Investments which have been made within the last twelve months or where the investee company is in the early stage of development will usually be valued at either the price of recent investment or cost 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 in debt instruments will usually be valued by applying a discounted cash flow methodology based on expected future returns of the investment.

- Alternative methods of valuation such as multiples or net asset value may be applied in specific circumstances if considered 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 investments are taken to unrealised capital reserves.

Notes to the Financial Statements
For the year ended 28 February 2021

1. Accounting Policies (continued)

Income
Dividends receivable on listed equity shares are brought into account on the ex-dividend date. Dividends receivable on unquoted 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 agreed performance fees payable to the Investment Manager, Puma Investment Management Limited, and members of the investment management team at 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 120p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period.

At each balance sheet date, the Company accrues for any performance fee payable based on the calculation set out above.

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% 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 Board's 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 the 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.

Reserves
Realised losses and gains on investments, transaction costs, the capital element of the investment 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 the capital element of the performance fee are also taken through the Income Statement and are recognised in the Capital Reserve – Unrealised.

Debtors
Debtors include other debtors and accrued income which is recognised at amortised cost, equivalent to the fair value of the expected balance receivable.

Notes to the Financial Statements
For the year ended 28 February 2021

1. Accounting Policies (continued)

Creditors
Creditors are initially measured at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

Dividends
Final 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. Interim dividends are recognised when paid.

Key accounting estimates and assumptions
The Company makes estimates and assumptions concerning the future. The resulting accounting estimates and assumptions will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets within the next financial year relate to the fair value of unquoted investments, especially due to the ongoing impact of COVID-19. Further details of the unquoted investments are disclosed in the Investment Manager's Report on pages 4 to 9 and notes 7 and 13 to the financial statements.

2. Investment Management Fees

	Year ended 28 February 2021 £'000	Period from 11 April 2019 to 29 February 2020 £'000
Puma Investments fees	132	8
	132	8

Puma Investment Management Limited ("Puma Investments") 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 Puma Investments will be paid an annual fee of 2% of the Net Asset Value payable quarterly in arrears calculated on the relevant quarter end NAV of the Company. These fees commenced on 16 January 2020 (the date of the first share allotment). These fees are capped, the Investment Manager having agreed to reduce its fee (if necessary to nothing) to contain total annual costs (excluding performance fee and trail commission) to within 3.5% of Net Asset Value. Total costs this year were 3.1% of the Net Asset Value (2020: 1.1%).

In addition to the investment manager fees disclosed above, during the year ended 28 February 2021, Puma Investments Management Limited charged fees totalling £142,197 (2020: £120,194) in relation to share issue costs. The fees were to cover the costs of launching the VCT.

Notes to the Financial Statements
For the year ended 28 February 2021

3. Other expenses

	Year ended 28 February 2021 £'000	Period from 11 April 2019 to 29 February 2020 £'000
Administration - Puma Investments	23	2
Directors' Remuneration	60	8
Social security costs	3	1
Auditor's remuneration for statutory audit	29	18
Insurance	5	2
Legal and professional fees	8	5
Other expenses	52	-
	180	36

Puma Investment Management Limited ("Puma Investments") provides administrative services to the Company for an aggregate annual fee of 0.35% of the Net Asset Value of the Fund, payable quarterly in arrears.

Remuneration for each Director for the year is disclosed in the Directors' Remuneration Report on page 23. The Company had no employees (other than Directors) during the year (2020: none). The average number of non-executive Directors during the year was 3 (2020: 3).

The Auditor's remuneration of £24,000 (2020: £15,000) has been grossed up in the table above to be inclusive of VAT. No non-audit fees were charged in the year (2020: £nil).

4. Taxation

	Year ended 28 February 2021 £'000	Period from 11 April 2019 to 29 February 2020 £'000
UK corporation tax charge for the year	-	-
Factors affecting tax charge for the year		
Profit before taxation	1,641	134
Tax charge calculated on profit before taxation at the applicable rate of 19%	312	25
Gains on investments	(372)	(32)
Tax losses carried forward	60	7
	-	-

Capital returns are not taxable as the Company is exempt from tax on realised capital gains whilst it continues to comply with the VCT regulations, so no corporation tax is recognised on capital gains or losses. Due to the intention to continue to comply with the VCT regulations, the Company has not provided for deferred tax on any realised or unrealised capital gains and losses. No deferred tax asset has been recognised in respect of the tax losses carried forward due to the uncertainty as to recovery.

Notes to the Financial Statements
For the year ended 28 February 2021

5. Basic and diluted return/(loss) per Ordinary Share

	Year ended 28 February 2021		
	Revenue	**Capital**	**Total**
Total comprehensive income for the year (£'000)	(213)	1,854	1,641
Weighted average number of shares	6,368,652	6,368,652	6,368,652
Return/(loss) per share	(3.34)p	29.11p	25.77p

	Period from 11 April 2019 to 29 February 2020		
	Revenue	**Capital**	**Total**
Total comprehensive income for the period (£'000)	(38)	172	134
Weighted average number of shares	497,489	497,489	497,489
Return/(loss) per share	(7.63)p	34.57p	26.94p

6. Dividends

The Directors will not propose a resolution at the Annual General Meeting to pay a final dividend (2020: nil).

Notes to the Financial Statements
For the year ended 28 February 2021

7. Investments

(a) Movements in investments	Qualifying investments £'000	Total £'000
Book cost at 29 February 2020	925	925
Net unrealised gain at 29 February 2020	178	178
Valuation at 29 February 2020	1,103	1,103
Purchases at cost	4,921	4,921
Net unrealised gain	1,953	1,953
Valuation at 28 February 2021	7,977	7,977
Book cost at 28 February 2021	5,846	5,846
Unrealised gains at 28 February 2021	2,131	2,131
Valuation at 28 February 2021	7,977	7,977

(b) Gains/(losses) on investments

	Year ended 28 February 2021 £'000	Period from 11 April 2019 to 29 February 2020 £'000
Unrealised gains in period	1,953	178
	1,953	178

The Company's investments are revalued each year, so until they are sold any unrealised gains or losses are included in the fair value of the investments.

All the Company's investments as at 29 February 2020 and 28 February 2021 were unquoted.

Further details of these investments (including the unrealised gain in the year) are disclosed in the Chairman's Statement, Investment Manager's Report, Investment Portfolio Summary and Significant Investments on pages 1 to 14 of the Annual Report.

Notes to the Financial Statements
For the year ended 28 February 2021

8. Debtors

	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Other debtors	-	545
Prepayments	29	40
	29	585

Other debtors in 2020 included cash held by the company share registrar of £530,000.

9. Creditors – amounts falling due within one year

	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Accruals	29	43
Other creditors	4	150
Redeemable preference shares	-	13
	33	206

10. Management Performance Incentive Arrangement

On 5 July 2019, the Company entered into an Agreement with the Investment Manager such that they will be entitled to a performance incentive fee payable in relation to each accounting period, subject to the Performance Value per Share being at least 120p at the end of the relevant period. The amount of the performance incentive fee will be equal to 20% of the amount by which the Performance Value per Share at the end of an accounting period exceeds the High Water Mark (being the higher of 120p and the highest Performance Value per Share at the end of any previous accounting period), and multiplied by the number of Shares in issue at the end of the relevant period.

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 profit and loss expense for the year in relation to this Agreement is £nil (2020: £nil).

Notes to the Financial Statements

For the year ended 28 February 2021

11. Called Up Share Capital

	As at 28 February 2021	As at 29 February 2020	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Allotted, called up and fully paid:				
Ordinary shares of £0.01 each	8,641,327	4,006,472	86	40
Allotted, called up and partly paid:				
Redeemable preference shares of £1 each	-	50,000	-	13

The Company was incorporated on 11 April 2019 with 2 Ordinary shares issued at par and on 25 June 2019, 50,000 £1 redeemable preference shares were issued as one quarter paid up for cash consideration of £12,500. These were fully redeemed by the company on 30 June 2020.

During the year, 4,634,855 shares were issued at an average price of 102.3p per share (2020: 4,006,470 shares were issued at a price of 100p per share). The consideration received for these shares was £4.7 million (2020: £4 million).

Following the year end, a further 3,481,495 shares were issued at an average price of 107.6p. The consideration received for these shares was £3.7 million.

12. Net Asset Value per Ordinary Share

	As at 28 February 2021	As at 29 February 2020
Net assets	£10,033,000	£3,937,000
Number of shares in issue for purposes of Net Asset Value per share calculation	8,641,327	4,006,472
Net asset value per share	116.10p	98.27p

Notes to the Financial Statements
For the year ended 28 February 2021

13. Financial Instruments

The Company's financial instruments comprise 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. Excluding cash balances, the Company held the following categories of financial instruments:

	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Financial assets at fair value through profit or loss	7,977	1,103
Financial assets measured at amortised cost	-	545
Financial liabilities measured at amortised cost	(33)	(206)
	7,944	1,442

Management of risk
The main risks the Company faces from its financial instruments are 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, liquidity risk, credit risk and interest rate 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 period.

Credit risk
Credit risk is the risk that the 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 Company's maximum exposure to credit risk is as follows:

	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Cash at bank and in hand	2,060	2,455
Other receivables	29	585
	2,089	3,040

The cash held by the Company at the year-end is held in RBS. 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 other receivables are predominantly covered by the investment management procedures.

Notes to the Financial Statements
For the year ended 28 February 2021

13. Financial Instruments (continued)

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 investments in the face of price movements. The Investment Manager actively monitors market prices and reports to the Board, which meets regularly in order to consider investment strategy.

The Company's strategy on the management of market price risk is driven by the Company's investment policy as outlined in the Strategic Report on page 16. 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.

Holdings in unquoted investments may 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.

All of the Company's investments are unquoted investments.

Liquidity risk
Details of the Company's unquoted investments are provided in the Investment Portfolio summary on page 10. By their nature, unquoted investments may not be readily realisable and the Board considers exit strategies for these investments throughout the period for which they are held. As at the year end, the Company had no borrowings.

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 Directors' Report and the Strategic Report. The Company's overall liquidity risks are monitored on a quarterly basis by the Board. The Company maintains access to sufficient cash resources to pay accounts payable and accrued expenses.

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 0.1% at 28 February 2021 (2020: 0.75%).

Cash flow interest rate risk
The Company has exposure to interest rate movements primarily through its cash deposits which track either the Bank of England base rate or LIBOR.

Interest rate risk profile of financial assets
The Company's only asset at 29 February 2020 that earning interest was cash at bank of £2,455,000, which was accruing interest at 0.25% p.a.. The cash at bank at 28 February 2021 of £2,060,000 is in a non-interest bearing bank account.

Foreign currency risk
The reporting currency of the Company is Sterling. The Company has not held any non-Sterling investments during the year.

Notes to the Financial Statements
For the year ended 28 February 2021

13. Financial Instruments (continued)

Fair value hierarchy
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 - Fair value is measured using the unadjusted quoted price in an active market for identical assets.
- Level 2 - Fair value is measured using inputs other than quoted prices that are observable using market data.
- Level 3 - Fair value is measured using unobservable inputs.

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

	As at 28 February 2021 £'000	As at 29 February 2020 £'000
Level 3		
Unquoted investments	7,977	1,103
	7,977	1,103

The Level 3 investments have been valued in line with the Company's accounting policies and IPEV guidelines. Further details of these investments are provided in the Significant Investments section of the Annual Report on pages 11 to 14.

14. 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 provide an adequate return to shareholders by allocating its capital to assets commensurate with the level of risk.

The Company must have an amount of capital, at least 80% (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, issue new shares, or sell assets to maintain a level of liquidity to remain a going concern.

The Board has the opportunity to 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 those liabilities is not directly related to managing the return to shareholders.

15. Contingencies, Guarantees and Financial Commitments

There were no commitments, contingencies or guarantees of the Company at the year-end (2020: none).

16. Controlling Party

In the opinion of the Directors there is no immediate or ultimate controlling party.

17. Post Balance Sheet Events

As detailed in note 11, since the year end 3,481,495 ordinary shares have been issued for cash consideration of £3.7 million.