RNS Number : 5538S
Puma VCT 13 PLC
14 June 2024

Chairman's Statement

Highlights

- Seven new investments added to the portfolio in the year bringing total number of investments to 20
- £36.3m raised during the year and a further £28.5m raised post year-end
- £40.1m available for deployment into new and follow on investments as at the year-end

Introduction

I am pleased to present the sixth report and financial statements for Puma VCT 13 plc ("the Company") for the year to 29 February 2024. It has been another successful year for the Company and I am delighted to be able to report on its highlights.

Overview

The Company's Net Asset Value ("NAV") per share at the end of the year stood at 124.48p.

Six of the Company's qualifying holdings were written up in value - including MUSO, which was written up by £1.5m, HR Duo by £0.7m and CameraMatics by £0.6m. These businesses have seen demand for their solutions grow, with continued domestic and overseas expansions. Seven of the Company's qualifying holdings were marked down in value. These movements, together with running costs, accounted for the overall NAV movement. The Company's loss for the year was £8.1m (2023: profit £2.7m).

Further to statements made by the Company in the prospectus published back in September 2023, Puma VCT 13 is proposing to launch a dividend reinvestment scheme ("DRIS") under which shareholders will be able to reinvest any cash dividends received into further shares. Details of the proposed DRIS and the terms and conditions of the DRIS are set out at the end of the notice of Annual General Meeting.

Fundraising

During the year, the Company undertook a further fundraising. The Company raised £36.3m during the year, with a further £28.5m raised after the year-end.

This equity issue gives the Company substantial deployable funds and will help spread fixed costs over a wider shareholder base. It also gives the Company the ability to expand the portfolio substantially.

Investment activity and portfolio

We are pleased to report that 2023-24 has been an active year for the Company with seven new qualifying investments in this period. These were made alongside other Puma-managed funds and bring the current number of qualifying investments to 20.

These investments were: £1.1m into Bikmo, a specialist cycle and e-mobility insurer; £4.6m into Iris an advanced audio technology company; £3.3m into Lucky Saint, the UK's number 1 dedicated alcohol-free beer brand; £3.9m into Pockit, a digital account provider; £0.8m into Thingtrax, a SaaS-based manufacturing performance platform; £5.4m into Transreport, a fast-growing accessibility technology company and £2.4m into TravelLocal, a global travel marketplace.

Follow-on investments were also made: £0.8m into Ostmodern; £0.9m into Connectr; £1.7m into Dymag; £1.9m into CameraMatics and £0.8m into Ron Dorff.

The Company's holdings in Deazy, HR Duo, Le Col, CameraMatics, MUSO and Open House have generated positive valuation movements. Seven of the Company's qualifying holdings were marked down in value.

Muso saw an increase in its valuation of £1.5m in the year. Growth picked up in 2024 following a slowdown in 2023 as a result of the actors and writers' strikes. 2024 has seen new client wins and a strong pipeline.

Dymag's valuation decreased by £3.9m in the year as the after-market for car wheels slowed and car manufacturers became more cautious despite ongoing investment in product and sales capacity. Puma is working closely with management recognising the challenges it faces.

Connectr was written down by £2.5m in the year reflecting a challenging trading environment. Many employers are cutting back on recruitment and associated spending on software impacting new business growth and renewal rates alike. Puma has supported the Company through a restructure which has had a positive impact on cashflow and profitability.

NAV

The NAV per share at the year-end was 124.48p (2023: 133.05p). This figure reflects the initial funds raised less the costs of issue, movements in the value of the portfolio and running costs of the Company.

VCT qualifying status

Shoosmiths LLP 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. Shoosmiths and other specialist advisors will continue to assist the Investment Manager in establishing the status of potential investments as qualifying holdings. Shoosmiths will continue to monitor rule compliance and maintaining the qualifying status of the Company's holdings in the future.

Outlook

During the period, I am pleased to report that seven new investments were added to the portfolio, bringing the total number of companies to 20, significantly boosting diversification. This was done in a challenging environment and shows the appeal of the Investment Manager's proposition and its growing presence in the market.

In 2023, the wider VCT sector saw a significant reduction in investment activity, down by nearly 30%[1] compared to the previous year. This mirrored broader economic challenges within the UK characterised by rising interest rates, inflationary pressures, elevated debt levels, and subdued consumer and business confidence. Consequently, company valuations experienced a dip during this turbulent economic backdrop.

However, despite these concerns, the economic outlook for 2024 has begun to exhibit signs of improvement offering some hope for recovery. The tightening of finance imposed by the Bank of England and other central banks and an easing in commodity prices have reduced inflation. These is now some hope for a better outlook for the economy, although uncertainties remain and need monitoring.

[1] Source: the AIC

David Buchler

Chairman

14 June 2024

Investment Manager's Report

The period has clearly been one of significant strain for smaller companies in the UK, as indeed it has been for companies of all stages of growth plus households and consumers. The challenges facing those building a business are substantial from inflation to geopolitical conflict, supply shock, labour shortages, strikes, energy price spikes, the list could go on.

Given these challenges and potential roadblocks, it is easy to overlook just how much things have improved over the past 12-18 months. Inflation was still stubbornly in double figures a little over a year ago[1], but is now forecast to drop below 2% in the coming months (before rising again slightly)[2], meaning interest rates may fall during the summer months. On the back of this, Deloitte's CFO survey reported in April that sentiment among UK CFOs had risen for the third consecutive quarter, to a point well above its long-term average. Consumer confidence has also improved, the latest GFK Consumer Confidence Barometer has illustrated that consumer optimism when it comes to their personal finances has improved significantly over the past year.

Yet, despite these promising trends, many companies are experiencing stretched balance sheets with the majority of cost management options already exhausted. This is especially true in sectors that have been most exposed to supply chain, labour or demand shocks. Companies in these sectors have been weakened, and any further shocks to the economy could be difficult to absorb.

We have seen this pattern reflected in the trading data of our well diversified portfolio of investee companies. 2023 was extremely challenging, with particular weakness in Q3 and a soft end to the year, 2024 has opened with considerably more momentum. Encouragingly, we are starting to see steady like-for-like growth across a number of sectors.

We consider potential investment opportunities against a broader valuation landscape, and from the above we can see that the period covered in these accounts was a challenging time to be selling companies, but an advantageous time to be investing in them. As such, we are excited to have added 7 additional investee companies in the period, increasing the size of the portfolio by 54%. This is particularly pleasing as overall VCT investment activity during 2023 was significantly down, by approximately 30% according to the AIC.

New additions to the portfolio include Bikmo, a specialist cycle and e-mobility insurer which protects over 75,000 riders in the UK, Lucky Saint, the UK's number one dedicated alcohol-free beer brand and Iris, a cutting-edge audio technology company with a mission to enable the world to listen well.

Naturally given the economic environment, it has been appropriate to reduce the carrying values of some of the positions in the portfolio. New investments made in the period have been held at cost (as is the norm under the IPEV guidelines covering VCTs). This masks the strong momentum that many of our new investments exhibited when we made our original investment, but the growth from this cohort should be visible in the future.

We remain very active in our approach and engagement with the companies in our portfolio. We continue to host networking events and workshops through our Senior Managers Club, directed at CEOs, CFOs and other heads of department to enable them to share ideas and insight with each other. For example, the most recent event focused on cyber security and efficiently scaling tech teams. This, together with the support and oversight we provide the companies in our portfolio, means our proposition continues to prove compelling in attracting high quality companies.

[1] Source: Consumer price inflation from the Office for National Statistics

[2] Bank of England, March 2024

Qualifying investments

In this section, we look at the following investments within our portfolio in more detail

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Bikmo

Bikmo is a specialist cycle and e-mobility insurer which protects over 75,000 riders in the UK, Ireland, Germany and Austria. Capitalising on growth in the cycle market, Bikmo offers a range of insurance products to protect every type of cyclist - from road cyclists and triathletes to daily commuters.

The business is B-Corp certified, it is focusing on expanding into other European markets and supporting multinational partners, including British Cycling, Cyclescheme and Brompton.

CameraMatics

CameraMatics is an award-winning solution for Fleet Risk Management. Continuing its mission to create safer roads for all, it released one of the most advanced AI-powered collision avoidance system on the market. The system promises radically to improve driver reaction times and blind spot visibility by using deep learning algorithms, continually scanning for pedestrians, hidden road users and cyclists.
The company has attended several trade shows across America and the UK to bring its offerings to new audiences, with a continued focus on US expansion. It has invested heavily into its sales and marketing team to aid this and recently announced a new collaboration with Bosch Logistics Operating System. This partnership will align CameraMatics with Bosch's mission to unite all stakeholders in the logistics and transportation industry.

IRIS

IRIS is an audio specialist which has developed an AI-powered software which removes distracting background noise from calls, integrating seamlessly with existing platforms. IRIS achieved a top 20 placing in the Startups 100 Index 2024.

Le Col

Recently named best performance cycling brand by GQ Magazine, Le Col is continuing its expansion into the US and is now available online at DICK'S Sporting Goods (which has over 800 stores nationwide). In addition, Le Col has partnered with US fabrics manufacturer Polartec to launch a new plant-based performance fabric, 'Power Shield', which is made with 50% fewer emissions than similar fabrics.

Lucky Saint

Lucky Saint is the UK's number one dedicated alcohol-free beer brand across grocery and on-trade. The investment from Puma funds will support the brand's next phase of growth both in the UK and globally.
The B-Corp certified company, voted 'Marketing Society Brand of the Year 2023', has recently expanded its offering by launching the Superior Hazy IPA, which joins the award-winning Alcohol-Free Superior Unfiltered Lager as its first new beer since launch in 2018. It is stocked in over 7,000 pubs, bars and restaurants and sold in major supermarkets including Waitrose, Sainsbury's, Tesco and Marks & Spencer.

Pockit

Pockit is a digital account provider offering pre-paid spending cards and current accounts. The fintech company has focused on growing the senior team and has appointed a new COO. The next phase of Pockit's growth strategy aims to expand its customer base and introduce new services.

Ron Dorff

Ron Dorff, the premium athleisure brand, has grown sales by 42% in the two years to December 2023 and is present across more than 50 countries including the US, the UK, Germany and France. It launched a crowdfunding campaign, which raised over the target, giving the Ron Dorff community an opportunity to be part of its growth. The funds will be used to sustain global online growth, in particular in the US, building brand awareness on and offline. It is due to open a flagship store in Paris towards the end of 2024.

Thingtrax

Thingtrax is an IoT enabled software provider using AI and machine learning to optimise performance in manufacturing facilities.

Its latest offering, Retail Pack Label Validation powered by AI, enables manufacturers early detection of label discrepancies. The pairing of camera vision with AI examines each label for specific text, dates, imagery, and positioning, with an instant alert when a label fails to meet product specifications, allowing mistakes to be addressed efficiently.

Transreport

Transreport's flagship technology, the Passenger Assistance app, supports anyone who needs assistance whilst travelling, facilitating quicker and easier use of public transport.

Since its launch in May 2021, the Passenger Assistance technology, nominated for an Apple Design Award in the Inclusivity Category, has been downloaded over 100,000 times, facilitating millions of passenger journeys to date. Transreport has initially focussed on UK rail, where it works with every UK rail operating company.

TravelLocal

TravelLocal is a leading online platform for tailor-made holidays that connects clients directly with local experts in their destinations. Since the business was founded in 2016, TravelLocal has helped more than 70,000 customers from 100 countries globally create the perfect trip. TravelLocal is growing rapidly, many travellers demand genuinely authentic, more sustainable holidays and prioritise spending on experiences, with annual bookings over USD 50m and growing over 100% year on year.

The new funding will support the company's international growth and has already added Australia to its growing roster of over 90 international destinations. In addition, the company looks to invest in its managed marketplace platform and further brand marketing.

Liquidity management investments

An active approach is taken to manage any cash held, prior to investing in VCT qualifying companies.

The rules for VCTs limit the income which can be received from bank deposits, making them an unattractive way of holding funds waiting to be invested. As a result, during a period where funds remain not yet deployed in qualifying investments in smaller companies, to earn a return on these funds a VCT needs to hold investments rather than cash deposits.

Rising interest rates have made investing in fixed-income securities more attractive. The Company has therefore, switched from holding listed equities into a revised liquidity management strategy focused on short term bonds held through collective investment schemes.

Historically, to manage the Company's liquidity, a portion of the Company's funds was invested in a diverse portfolio of UK-centric listed equities. This had been reduced over time and was sold entirely during the year in review resulting in £0.25 million of losses being realised.

Puma Investment Management Limited
14 June 2024

Investment portfolio summary
As at 29 February 2024

Of the investments held at 29 February 2024, all are incorporated in England and Wales, except MySafeDrive Limited and HR Duo Limited, which are incorporated in Ireland.

	Valuation	Cost	Gain/(loss)	Valuation as a % of Net Assets	Multiple
	£'000	£'000	£'000		
Qualifying Investment - Unquoted					
ABW Group Limited ('Ostmodern')	871	1,292	(421)	1%	0.67x
Bikmo Limited	1,107	1,107	-	1%	1.00x
Deazy Limited	3,146	2,900	246	3%	1.08x
Dymag Group Limited	1,770	5,787	(4,017)	1%	0.31x
Everpress Limited	4,986	3,514	1,472	4%	1.42x
Forde Resolution Company Limited ('HR Duo')	2,947	2,238	709	2%	1.32x
Hot Copper Pub Company Limited	305	847	(542)	0%	0.36x
Influencer Limited	11,247	1,800	9,447	9%	6.25x
Iris Audio Technologies Limited	4,555	4,555	-	4%	1.00x
Le Col Holdings Limited	10,810	8,281	2,529	9%	1.31x
MyKindaFuture Limited ('Connectr')	4,869	5,915	(1,046)	4%	0.82x
MySafeDrive Limited ('CameraMatics')	6,139	3,882	2,257	5%	1.58x
Muso Limited	3,875	2,361	1,514	3%	1.64x
Not Another Beer Co Limited ('Lucky Saint')	3,289	3,289	-	3%	1.00x
NQOCD Consulting Limited ('Ron Dorff')	4,059	3,218	841	3%	1.26x
Open House London Limited	2,003	1,800	203	2%	1.11x
Pockit Limited	3,920	3,920	-	3%	1.00x
Thingtrax Limited	750	750	-	1%	1.00x
Transreport Limited	5,418	5,418	-	5%	1.00x
TravelLocal Limited	2,433	2,433	-	2%	1.00x
Total Qualifying Investments	**78,497**	**65,307**	**13,190**	**66%**	**1.20x**
Total Investments	78,497	65,307	13,190	66%	
Balance of Portfolio	40,049	40,049	-	34%	
Net Assets	**118,546**	**105,356**	**13,190**	**100%**	

Strategic Report

The Directors present their Strategic Report of the Company for the year ended 29 February 2024. 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 15 September 2016. 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 s274 of the Income Tax Act 2007.

The Company's Ordinary Shares of 0.0005p each have been listed on the Official List of the UK Listing Authority since 2 July 2018.

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 below.

Investment policy
Puma VCT 13 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 while 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 that seek to raise new capital on flotation or by way of a secondary issue. The Company has the ability to structure deals to invest in private companies with an asset-backed focus to reduce potential capital loss. The Company had to have in excess of 80% of its assets invested in qualifying investments as defined for VCT purposes by 29 February 2024.

The portfolio of non-qualifying investments will be managed with the intention of generating a positive return. 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.

Principal risks and uncertainties
The Board has 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 its 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 15 to the financial statements. Additional risks faced by the Company are listed below.

Market conditions
There is a risk that geopolitical and economic events can impact the prospects of some of the Company's investments. The Investment Manager mitigates the risk by maintaining close contact with all investee companies as well as by maintaining a diverse portfolio. Further details of the investments are set out in the Investment Manager's Report.

Investment risk
Inappropriate stock selection leading to underperformance in absolute and relative terms is a risk that 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 to monitor compliance with regulations and engages external independent advisers to undertake an independent VCT status monitoring role.
In addition to the principal risks explained above, the principal uncertainty that may affect the Company relates to material changes to the VCT regulations. The Board continues to monitor this and will 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 the Investment Portfolio Summary.

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 NAV 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 VCT 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.

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 the VCT regulations, the Company's current financial position and expected cash flows for the period and the current economic outlook.

Based on this review, the Directors have concluded that there is a reasonable expectation that they will have access to adequate cash resources to enable the Company to continue in operation and meet its liabilities, as they fall due over the three-year period to 28 February 2027.

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 (among 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 between members of the company.

This section of the Strategic Report also sets out the disclosures required in respect of 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 Repor). The Board considers that the Company does not have customers, only shareholders, 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. Further details on relations with shareholders is set out in the Corporate Governance Statement.

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 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.

Statement of Directors' responsibilities
The Directors are responsible for preparing the Strategic Report and the financial statements in accordance with applicable laws 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, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", 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 (comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law) 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 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, confirms that, to the best of each person's knowledge:

a) the financial statements, prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law), 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 and Strategic 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 Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. 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.

David Buchler
Chairman
14 June 2024

Income Statement
For the year ended 29 February 2024

		Year ended 29 February 2024			Year ended 28 February 2023		
	Note	Revenue £'000	Capital £'000	Total £'000	Revenue £'000	Capital £'000	Total £'000
(Loss)/gain on fixed asset investments	8 (b)	-	(6,478)	**(6,478)**	-	5,151	**5,151**
Gain on current asset investments		-	551	**551**	-	-	-
Income	2	857	-	**857**	200	-	**200**
		857	**(5,927)**	**(5,070)**	**200**	**5,151**	**5,351**
Investment management fees	3	(572)	(1,715)	**(2,287)**	(366)	(1,097)	**(1,463)**
Performance fee	3	-	-	-	-	(673)	**(673)**
Other expenses	4	(740)	-	**(740)**	(511)	-	**(511)**
		(1,312)	**(1,715)**	**(3,027)**	**(877)**	**(1,770)**	**(2,647)**
(Loss)/profit before tax		**(455)**	**(7,642)**	**(8,097)**	**(677)**	**3,381**	**2,704**
Tax	5	-	-	-	-	-	-
(Loss)/profit after tax		**(455)**	**(7,642)**	**(8,097)**	**(677)**	**3,381**	**2,704**
Basic and diluted (loss)/profit per Ordinary Share (pence)	6	(0.53p)	(8.89p)	**(9.42p)**	(1.28p)	6.39p	**5.11p**

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 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.

There were no items of other comprehensive income during the year.

Balance Sheet
As at 29 February 2024

	Note	As at 29 February 2024	As at 28 February 2023
		£'000	**£'000**
Fixed assets			
Investments	8	78,497	58,544
Current assets			
Cash at bank		15,289	34,289
Applications cash[1]		6,756	6,281
Investments	10	24,799	-
Debtors	9	619	255
		47,463	**40,825**
Current liabilities	11	(7,414)	(7,601)
Net current assets		**40,049**	**33,224**
Net assets		**118,546**	**91,768**
Capital and reserves			
Called up share capital	13	50	36
Share premium		8,104	57,207
Capital reserve - realised		(4,249)	(2,269)
Capital reserve - unrealised		13,757	19,420
Revenue reserve		(2,238)	17,374
Special distributable reserve		103,122	-
Total equity		**118,546**	**91,768**
Net Asset Value per Ordinary Share	14	**124.48p**	**133.05p**

[1] Funds raised from investors since VCT 13 opened for new investment which have not been allotted as at year end.

The financial statements were approved and authorised for issue by the Board of Directors on 14 June 2024 and were signed on their behalf by:

David Buchler
Chairman

Statement of Cash Flows
For the year ended 29 February 2024

	Note	Year ended 29 February 2024	Year ended 28 February 2023
		£'000	**£'000**
Reconciliation of profit before tax to net cash used in operating activities			
(Loss)/profit after tax		(8,097)	2,704
Loss/(gain) on fixed asset investments		6,478	(5,151)
Gain on current asset investments		(551)	-
Increase in debtors		(364)	(146)
Decrease in creditors		(662)	(849)
Outflow from operating activities		**(3,196)**	**(3,442)**
Cash flow from investing activities			
Purchase of fixed asset investments		(27,631)	(15,732)
Purchase of current asset investments		(24,249)	-
Proceeds from disposal of investments		1,201	3,567

Outflow from investing activities		**(50,679)**	**(12,165)**
Cash flow from financing activities			
Proceeds received from issue of ordinary share capital		36,322	42,683
Expense paid for issue of share capital		(591)	(647)
Movement in applications account		475	6,281
Shares cancelled in year		(856)	-
Dividends paid to shareholders		-	(5,324)
Inflow from financing activities		**35,350**	**42,993**
Net (decrease)/increase in cash and cash equivalents		**(18,525)**	**27,386**
Cash and cash equivalents at the beginning of the year		40,570	13,184
Cash and cash equivalents at the end of the year		**22,045**	**40,570**
Cash and cash equivalents comprise			
Cash at bank		15,289	34,289
Applications cash	19	6,756	6,281
Cash and cash equivalents at the end of the year		**22,045**	**40,570**

Statement of Changes in Equity
For the year ended 29 February 2024

	Called up share capital	Share premium account	Capital reserve - realised	Capital reserve - unrealised	Revenue reserve	Special distributable reserve	Total
	£'000	£'000	£'000	£'000	£'000	£'000	£'000
Balance as at 1 March 2022	**20**	**15,187**	**(2,216)**	**15,989**	**23,372**	**-**	**52,352**
Comprehensive income for the year:							
(Loss)/profit after tax	-	-	(1,751)	5,129	(674)	-	**2,704**
Total comprehensive income for the year	**-**	**-**	**(1,751)**	**5,129**	**(674)**	**-**	**2,704**
Transactions with owners, recognised directly in equity							
Dividends paid	-	-	-	-	(5,324)	-	**(5,324)**
Issue of shares	16	42,667	-	-	-	-	**42,683**
Share issue cost	-	(647)	-	-	-	-	**(647)**
Total transactions with owners, recognised directly in equity	**16**	**42,020**	**-**	**-**	**(5,324)**	**-**	**36,712**
Other movements							
Prior year fixed asset gains now realised	-	-	1,698	(1,698)	-	-	**-**
Total other movements	**-**	**-**	**1,698**	**(1,698)**	**-**	**-**	**-**
Balance as at 28 February 2023	**36**	**57,207**	**(2,269)**	**19,420**	**17,374**	**-**	**91,768**
Comprehensive income for the year:							
Loss after tax	-	-	(1,960)	(5,683)	(454)	-	**(8,097)**
Total comprehensive income for the year	**-**	**-**	**(1,960)**	**(5,683)**	**(454)**	**-**	**(8,097)**
Transactions with owners, recognised directly in equity							
Issue of shares	14	36,308	-	-	-	-	**36,322**
Share issue cost		(591)					**(591)**

Share issue cost	-	(591)	-	-	-	-	**(591)**
Cancellation of share premium	-	(84,820)	-	-	-	84,820	**-**
Repurchase of own shares	-	-	-	-	-	(856)	**(856)**
Total transactions with owners, recognised directly in equity	**14**	**(49,103)**	**-**	**-**	**-**	**83,964**	**34,875**
Other movements							
Prior year fixed asset gains now realised	-	-	(20)	20	-	-	**-**
Re-class to special distributable reserve	-	-	-	-	(19,158)	19,158	**-**
Total other movements	**-**	**-**	**(20)**	**20**	**(19,158)**	**19,158**	**-**
Balance as at 29 February 2024	**50**	**8,104**	**(4,249)**	**13,757**	**(2,238)**	**103,122**	**118,546**

The Capital reserve - realised includes gains/losses that have been realised in the year due to the sale of investments, net of related costs.

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 represents premium on shares issued less issue costs.

Revenue reserve represents the cumulative revenue earned less cumulative expenses.
The Special distributable reserve represents reserves available for dividends and repurchases of shares subject to additional VCT restrictions surrounding retention of the share capital and share premium account.

1. Accounting policies

Accounting convention
Puma VCT 13 plc ("the Company") was incorporated in England on 15 September 2016 and is registered and domiciled in England and Wales. The Company's registered number is 10376236. 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. The functional and presentational currency of the Company is sterling.

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. The Directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and believe that it is appropriate to continue to apply the going concern basis in preparing the financial statements. This is appropriate as the Company's listed shares are held for liquidity purposes and will be sold as and when required to ensure the Company has adequate cash reserves to meet the Company's running costs.

Cash and cash equivalents
Cash, for the purposes of the cash flow statement, comprises cash at bank. Cash equivalents are current asset investments which are disposable without curtailing or disrupting the business and are either readily convertible into known amounts of cash at or close to their carrying values. Interest earned on cash balances is recorded as income.

Investments
All investments are measured at fair value through profit and loss. They are held as part of the Company's investment portfolio and are managed in accordance with the investment policy.

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

- Investments which have been made within the last 12 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 as the closest approximation to fair value, 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.
- For investments that have been held for longer than 12 months, methods of valuation such as earnings or revenue-based multiples or Net Asset Value may be used to arrive at the fair value.
- Investments in debt instruments are held at amortised cost and accrue interest at the rate agreed within the Investment Agreement. Interest is shown separately within debtors.
- Realised gains and losses on the disposal of investments are first recognised in the profit and loss and subsequently taken to realised capital reserves.
- Unrealised gains and losses on the revaluation of investments are first recognised in the profit and loss and

- Unrealised gains and losses on the revaluation of investments are first recognised in the profit and loss and subsequently taken to unrealised capital reserves.
- In preparation of the valuations of assets the Directors are required to make judgements and estimates that are reasonable and incorporate their knowledge of the performance of the portfolio companies. A key judgement made in applying the above accounting policy relates to impairment of the investments. Valuations are based upon financial information received from the underlying investee companies, together with the extensive knowledge and expertise of the team who work closely with the investee companies; a fair value is reached using appropriate valuation techniques consistent with the IPEV guidelines. Any deviations in expectations of performance of the underlying companies are captured within the information received and, as such, reflected in the fair value.
- Impairment of debt instruments is considered when arriving at the valuations for equity shareholders. Loan notes are deducted from the overall enterprise value before distributing in line with the appropriate waterfall arrangements between equity shareholders. If the enterprise value is greater than the debt instrument, the loan note is not considered to be impaired.

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
Performance fees are 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 110p 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 charged to capital.

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, performance fee and taxation are taken through the Income Statement and recognised in capital reserve - realised on the Balance Sheet. Unrealised losses and gains on investments are also taken through the Income Statement and are recognised in capital reserve - unrealised. The special distributable reserve includes cancelled share premium and represents reserves available for dividends and repurchases of shares subject to additional VCT restrictions surrounding retention of the share capital and share premium account.

Debtors
Debtors include other debtors and accrued income. These are initially recorded at the transaction price and subsequently measured at amortised cost, being the transaction price less any amounts settled.

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

Dividends
Dividends payable are recognised as distributions in the financial statements when the VCT's liability to make the payment has been established. This liability is established on the record date, the date on which those shareholders on the share register are entitled to the dividend.

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. Unquoted investments are stated at fair value at each measurement date in accordance with the appropriate valuation techniques consistent with the IPEV guidelines outlined in the Investments section in note 1 to the financial statements above. Valuations are based upon financial information received from the underlying investee companies, together with the extensive knowledge and expertise of the team who work closely with the investee companies. Any deviations in expectations of performance of the underlying companies are captured within the information received and, as such, reflected in the fair value.

Further details of the unquoted investments are disclosed in the Investment Manager's Report and notes 8 and 15 to the financial statements.

2. Income

	Year ended 29 February 2024	Year ended 28 February 2023
	£'000	£'000
Income from investments		
Qualifying interest income	305	147
Qualifying dividend income	477	53
Non-qualifying interest income	75	-
	857	**200**

3. Investment management and performance fees

	Year ended 29 February 2024	Year ended 28 February 2023
	£'000	£'000
Puma Investments fees	2,287	1,463
Performance fees	-	673
	2,287	**2,136**

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 12 months' notice, given at any time by either party, on or after the fifth anniversary. Puma Investments has been appointed as the Investment Manager for 6 years. 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 19 March 2018 (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 3.5% of the Company's net assets. Total costs this year were 2.6% of the Company's net assets as at 29 February 2024 (2023: 2.2%).

In addition to the Investment Manager fees disclosed above, during the year, Puma Investment Management Limited charged fees of £366,723 (2023: £375,197) as commission for share issue costs.

4. Other expenses

	Year ended 29 February 2024 £'000	Year ended 28 February 2023 £'000
PI Administration Services fees	400	256
Directors' remuneration	64	61
Social security costs	2	4
Auditor's remuneration for statutory audit	74	68
Other expenses	200	122
	740	**511**

Puma Investments provides accounting and administrative services to VCT 13, payable quarterly in advance. The fee is calculated as 0.35% of VCT 13's NAV, using the latest published NAV and the number of shares in issue at each quarter end.

The Company has no employees other than non-executive Directors (2023: none). The average number of non-executive Directors during the year was 3 (2023: 3).

Auditor's fees of £69,960 (2023: £59,400) have been grossed up in the table above to be inclusive of VAT. No non-audit services were provided by the Company's auditor in the year (2023: £nil).

Other expenses are made up of several smaller items, the largest being PR related costs.

5. Tax

	Year ended 29 February 2024 £'000	Year ended 28 February 2023 £'000
UK corporation tax charged to revenue reserve	-	-
UK corporation tax charged to capital reserve	-	-
UK corporation tax charge for the period	**-**	**-**
Factors affecting tax charge for the period		
Profit before taxation	(8,097)	2,704
Tax charge calculated on profit before taxation at the applicable rate of 25%/19%	(2,024)	514
Losses/(gains) on investments	1,482	(979)
Tax losses carried forward	542	465

	-	-

The corporation tax rate for the current year is 25% (2023: 19%).

Capital returns are not taxable as the Company is exempt from tax on realised capital gains while 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.

6. Basic and diluted profit/(loss) per Ordinary Share

	Year ended 29 February 2024		
	Revenue £'000	**Capital £'000**	**Total £'000**
Loss for the year	(455)	(7,642)	**(8,097)**
Weighted average number of shares in issue for the year	89,893,382	89,893,382	**89,893,382**
Less: weighted average number of management incentive shares (see note 12)	(3,895,834)	(3,895,834)	**(3,895,834)**
Weighted average number of shares for purposes of profit/(loss) per share calculations	85,997,548	85,997,548	**85,997,548**
Loss per share	(0.53p)	(8.89p)	**(9.42p)**

	Year ended 28 February 2023		
	Revenue £'000	**Capital £'000**	**Total £'000**
(Loss)/profit for the year	(677)	3,381	**2,704**
Weighted average number of shares in issue for the year	56,842,635	56,842,635	**56,842,635**
Less: weighted average number of management incentive shares (see note 12)	(3,895,834)	(3,895,834)	**(3,895,834)**
Weighted average number of shares for purposes of profit/(loss) per share calculations	52,946,801	52,946,801	**52,946,801**
(Loss)/profit per share	(1.28p)	6.39p	**5.11p**

This calculation has been carried out in accordance with IAS 33.

7. Dividends

The Directors will not propose a resolution at the Annual General Meeting to pay a final dividend (2023: £5.3 million).

8. Investments

(a) Movements in investments	**Qualifying venture capital investments**	**Non-qualifying investments**	**Total**
	£'000	**£'000**	**£'000**
Book cost at 1 March 2023	37,675	1,465	**39,140**
Net unrealised gain/(loss) at 1 March 2023	19,424	(20)	**19,404**
Valuation at 1 March 2023	**57,099**	**1,445**	**58,544**
Purchases at cost	27,631	-	**27,631**
Disposal proceeds	-	(1,200)	**(1,200)**
Realised net loss on disposals	-	(245)	**(245)**
Net unrealised loss	(6,233)	-	**(6,233)**
Valuation at 29 February 2024	**78,497**	**-**	**78,497**
Book cost at 29 February 2024	65,307	-	**65,307**
Net unrealised gains at 29 February 2024	13,190	-	**13,190**

Valuation at 29 February 2024	**78,497**	**-**	**78,497**

(b) Gains/(losses) on investments

	Year ended 29 February 2024	Year ended 28 February 2023
	£'000	£'000
Realised (loss)/gain on investments in the year	(245)	19
Unrealised (loss)/gain on investments in the year	(6,233)	5,132
	(6,478)	**5,151**

The Company received £1.2 million (2023: £3.6 million) from investments sold in the year. The book cost of these investments when they were purchased was £1.5 million (2023: £1.8 million). 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.

(c) Quoted and unquoted investments

	Market value as at 29 February 2024	Market value as at 28 February 2023
	£'000	£'000
Quoted investments	-	1,445
Unquoted investments	78,497	57,099
	78,497	**58,544**

Further details of these investments (including the unrealised gains in the year) are disclosed in the Chairman's Statement, Investment Manager's Report and Investment Portfolio Summary.

9. Debtors

	As at 29 February 2024	As at 28 February 2023
	£'000	£'000
Other debtors	39	-
Prepayments	265	120
Accrued income	315	135
	619	**255**

10. Current asset investments

	As at 29 February 2024	As at 28 February 2023
	£'000	£'000
Current asset investments	24,799	-
	24,799	**-**

Current asset investments comprise short term bonds held through collective investment schemes and are readily convertible into cash at the option of Puma VCT 13.

11. Current liabilities - creditors

	As at 29 February 2024	As at 28 February 2023
	£'000	£'000
Accruals	645	1,307
Applications cash (see note 19)	6,756	6,281
Redeemable preference shares	13	13
	7,414	**7,601**

Included within accruals is nil (2023: £673k) in relation to performance fees payable.

Applications cash is cash received from investors to Puma VCT 13 but not yet allotted.

Redeemable preference shares were issued for total consideration of £12,500 to Puma Investment Management Limited, being one quarter paid up, so as to enable the Company to obtain a certificate under s761 of the Companies Act 2006.

Each of the redeemable preference shares carries the right to a fixed, cumulative, preferential dividend of 0.1% per annum (exclusive of any imputed tax credit available to shareholders) on the nominal amount thereof but confers no right to vote except as otherwise agreed by the holders of a majority of the shares. On a winding-up, the redeemable preference shares confer the right to be paid the nominal amount paid on such shares. The redeemable preference shares are redeemable at par at any time by the Company and by the holder. Each redeemable preference share which is redeemed, shall thereafter be cancelled without further resolution or consent.

12. Management performance incentive arrangement

On 8 December 2016, the Company entered into an agreement with the Investment Manager and members of the investment

On 8 December 2016, the Company entered into an agreement with the Investment Manager and members of the investment management team (together "the Management Team") such that the Management Team will be entitled in aggregate to share in 20 per cent of the aggregate excess on any amounts realised by the Company in excess of £1.05 per Ordinary Share ("the Performance Target"). This agreement was amended by a deed of variation on 28 June 2018 to extend the terms of this arrangement so as to cover the offers for subscription that were launched in 2017 and 2018.

Following shareholder approval at the 2023 AGM, the methodology for calculating the PIF was amended to make it fairer to shareholders by removing the impact of changes to the share capital of the Company. The amount of the Performance Incentive Fee (PIF) is 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 110p and the highest Performance Value per Share at the end of any previous accounting period), multiplied by the number of relevant Ordinary Shares in issue at the end of the relevant period. That amount will be allocated, at the discretion of the Investment Manager, between the Investment Manager itself and the Management Team.

Under the original 2016 performance incentive arrangement (set out above) 3,895,834 Ordinary Shares are held by the Investment Manager and members of the Management Team ("Performance Incentive Shares"). Under the terms of that incentive arrangement, all rights to dividends are waived except that amounts payable under the PIF will, where possible, be paid as a dividend through these Performance Incentive Shares.

13. Called-up share capital

	As at 29 February 2024 £'000	As at 28 February 2023 £'000	As at 29 February 2024 Number of shares	As at 28 February 2023 Number of shares
Allotted, called up and fully paid: Ordinary shares of 0.05p each	50	36	99,130,662	72,868,008
Allotted, called up and partly paid: Redeemable preference shares of £1 each	13	13	50,000	50,000

During the year, 26,262,654 shares were issued at an average price of 138.3p per share (2023: 32,498,045 shares were issued at an average price of 131.3p per share). The consideration received for these shares was £36.3 million (2023: £42.7 million).

The rights attached to the Preference Shares can be found within note 11.

14. Net Asset Value per Ordinary Share

	As at 29 February 2024	As at 28 February 2023
Net assets	118,546,000	91,768,000
Number of shares in issue	99,130,662	72,868,008
Less: management incentive shares (see note 12)	(3,895,834)	(3,895,834)
Number of shares in issue for purposes of Net Asset Value per share calculation	95,234,828	68,972,174
Net Asset Value per share Basic	124.48p	133.05p

15. Financial instruments

The Company's financial instruments comprise its investments, cash balances, debtors and certain creditors. The fair value of all 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 at 29 February 2024:

	As at 29 February 2024 £'000	As at 28 February 2023 £'000
Financial assets at fair value through profit or loss	97,495	56,963
Financial assets measured at amortised cost	6,420	1,836
Financial liabilities measured at amortised cost	(658)	(1,320)
	103,257	**57,479**

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 year.

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 29 February 2024	As at 28 February 2023
	£'000	£'000
Cash at bank and in hand	15,289	34,289
Applications cash (see note 11 and 19)	6,756	6,281
Investments in loan notes	5,801	1,581
Current asset investments	24,799	-
Other receivables	619	255
	53,264	**42,406**

The cash held by the Company at the year-end is held in RBS and the applications cash is held at NatWest. Bankruptcy or insolvency of the banks 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.

Investments in loans and loan notes comprises a fundamental part of the Company's venture capital investments, therefore credit risk in respect of these assets is managed within the Company's main investment procedures.

Credit risk relating to current asset investments is mitigated by investing in a portfolio of investment instruments of high credit quality.

Credit risk associated with interest, dividends and other receivables are predominantly covered by the investment management procedures.

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 views on the economic environment, which also impacts market price risk, are discussed in the Investment Manager's Report. 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. 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.

100% (2023: 98%) of the Company's investments are unquoted investments held at fair value. 73% of the portfolio (48% of net assets) is valued using the application of earnings/revenue-based multiples. An increase in the multiple used by 20% would increase the Net Asset Value by 7.4% (£127.3m). Conversely, a decrease in the multiple used by 20% would decrease the Net Asset Value by 7.5% (£109.7m). The 20% sensitivity used provides the most meaningful impact of average multiple changes across the portfolio.

The sensitivity analysis is based on the year-end position of the investments and so may not be reflective of the year as a whole.

Liquidity risk
Details of the Company's unquoted investments are provided in the Investment Portfolio Summary. 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 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 5.25% at 29 February 2024 (2023: 4.0%).

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

Interest rate risk profile of financial assets
The following analysis sets out the interest rate risk of the Company's financial assets as at 29 February 2024.

	Rate status	Average interest rate	Period until maturity	Total

		interest rate	maturity	
				£'000
Cash at bank - RBS	Floating	0.00%		5,553
Cash at bank - RBS	Floating	1.90%		9,627
Applications cash - NatWest (see note 11 and 19)	Floating	0.00%		6,756
Loan notes	Fixed	9.20%	53 months	4,976
Balance of assets	Non-interest bearing			99,048
				125,960

The following analysis sets out the interest rate risk of the Company's financial assets as at 28 February 2023.

	Rate status	Average interest rate	Period until maturity	Total
				£'000
Cash at bank - RBS	Floating	0.00%		34,289
Applications cash - NatWest (see note 11 and 19)	Floating	0.00%		6,281
Loan notes	Fixed	10.00%	51 months	1,581
Balance of assets	Non-interest bearing			57,218
				99,369

Foreign currency risk
The Company's functional and presentation currency is Sterling. The Company has not held any non-Sterling investments during the year.

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 year as follows:

	2024	2023
	£'000	£'000
Level 1		
Investments listed on LSE	-	1,445
Current asset investments	24,799	-
Level 3		
Unquoted investments	78,497	57,099
	103,296	**58,544**

The Level 1 investments have been valued using the current quoted price.

The Level 3 investments have been valued in line with the Company's accounting policies and IPEV guidelines. This comprises both loan and equity instruments, which are considered to be one instrument due to their being bound together when assessing the portfolio's returns to the shareholders.

16. 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.

17. Contingencies, guarantees and financial commitments

There were no commitments, contingencies or guarantees of the Company at the year-end (2023: none).

18. Related party disclosures

The Company has delegated the investment management of the portfolio to Puma Investment Management Limited and administration services to PI Administration Services Limited. Further details of the transactions with these entities are disclosed in note 3 of the financial statements.

19. Re-presentation of comparative figures

The comparative figures for the year ended 28 February 2023 have been re-presented with an additional line item for 'Applications cash' included within current assets and current liabilities. Applications cash relates to funds received from investors but have not yet been allotted as at the year end. The net impact of this re-presentation on the NAV is nil and is purely a balance sheet gross up adjustment.

20. Post Balance Sheet events

Post year-end, a further 22,404,644 Ordinary Shares have been issued for cash consideration of £28.5 million.

On 2 May 2024 a portfolio company, Ron Dorff, raised third-party funding through a Crowdfunding investment round, which valued the company at €27m. The investment opportunity was made available to Ron Dorff customers as part of the launch of Ron Dorff's new loyalty programme, Le Club Ron Dorff. Incoming third-party investors did not benefit from EIS relief. For the VCT, this results in a NAV uplift of £1.4m at June 2024. The valuation at February 2024 was £4.1m.

In May 2024, the Directors chose to write the value of the VCTs holdings in its portfolio company Dymag to nil. The valuation at February 2024 was £1.8m, meaning a net decrease to the NAV of £1.8m at June 2024. This decision was taken on the back of the unexpected cancellation of a large OEM project which Dymag had expected to win, and continued weakness in the aftermarket.

On 22 May 2024 a portfolio company, Iris, completed a £3.5m investment round with a new external US investor. Puma Funds also participated in the round with Puma VCT 13 investing an additional £0.8m. This round valued the company at £35m which values the VCT's initial investment at 2x the invested sum. This has resulted in a £4.6m NAV uplift at June 2024. At February 2024 Iris was held at cost of £4.6m.

The financial information set out in this announcement does not constitute the Company's statutory financial statements in accordance with section 434 Companies Act 2006 for the year ended 29 February 2024 but has been extracted from the statutory financial statements for the year ended 29 February 2024 which were approved by the Board of Directors on 14 June 2024 and will be delivered to the Registrar of Companies. The Independent Auditor's Report on those financial statements was unqualified and did not contain any emphasis of matter nor statements under s 498(2) and (3) of the Companies Act 2006.

The statutory accounts for the year ended 28 February 2023 have been delivered to the Registrar of Companies and received an Independent Auditors report which was unqualified and did not contain any emphasis of matter nor statements under s 498(2) and (3) of the Companies Act 2006.

Copies of the full annual report and financial statements for the year ended 29 February 2024 will be available to the public at the registered office of the Company at Cassini House, 57 St James's Street, London, SW1A 1LD and is available for download from https://www.pumainvestments.co.uk/products/venture-capital-trusts/puma-vct-13.