

PROVEN LEGACY LIMITED

HALF-YEARLY REPORT

For the Six Months Ended 31 December 2021

PROVEN LEGACY LIMITED
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FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

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CHAIRMAN'S STATEMENT

Introduction

I have pleasure in presenting the half yearly report for ProVen Legacy Limited (the "Company") for the six months ended 31 December 2021.

Net Asset Value

During the six-month period, the Net Asset Value ("NAV") per Growth Share increased by 1.4p, from 105.0p to 106.4p at 31 December 2021. The NAV per Income Share decreased by 2.4p, from 103.3p to 100.9p at 31 December 2021, after the payment of a dividend to income shareholders on 17 December 2021 of 3.6p per share.

The difference in Net Asset Value between the two share classes is primarily a result of the dividend paid to Income Shareholders to date as well as the associated administrative costs.

Results

The net profit for the six-month period to 31 December 2021 was £42,440.

Fundraising activities

As stated in the Annual Report and Accounts for the year ended 30 June 2021, I am pleased to report that Beringea launched an Estate Planning Service with Armstrong Capital in early 2021.

Lending activity

As of 31 December 2021, the Company had advanced nine loans totalling £6,033,650. Of these, a total of £1,250,000 had been fully repaid. Of the remaining balance, total outstanding balances amounted to £2,547,143 at 31 December 2021.

In the six-month period, two further loans of £100,000 each were extended in October and December 2021 to Cogora Group Limited ("Cogora"), an existing portfolio company. These were repaid in full in November 2021 and January 2022 including any accrued interest on the balances.

Post balance sheet events

Subsequent to the period end, a new loan of £250,000 was made to Cryotanks Limited, a company which specialises in the rental, supply, installation, inspection and maintenance of cryogenic equipment. A term sheet for £750,000 was also signed in January 2022 with a new portfolio company. In January 2022, Cogora repaid the second £100,000 facility in full including any interest accrued on the balance to date. In addition, the Company extended a further £150,000 facility to Cogora on separate terms to the existing loan with Cogora.

Other than the matters described above, there were no material events during the period from 1 January 2022 to the date of this half yearly report.

Outlook

The Lending Adviser is currently in discussions with a number of other borrowers and these discussions are at various stages of engagement. Your Board is therefore confident there is a strong pipeline of lending opportunities available to deploy the capital and interest repayments received on the current portfolio, as well as funds raised in the near future.



Jamie Perkins
Chairman
3 March 2022

PROVEN LEGACY LIMITED

UNAUDITED CONDENSED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2021

		Six months ended 31 December 2021 (unaudited)	Six months ended 31 December 2020 (unaudited)
	Note	£	£
Loan interest income		111,657	78,616
Other income		7,500	3,678
Set-up costs	10	-	-
Administrative expenses		(65,302)	(42,751)
Operating profit		53,855	39,543
Interest income		10	19
Bank charges		(182)	(275)
Profit on ordinary activities before taxation		53,683	39,287
Taxation		(11,243)	(7,465)
Profit on ordinary activities after taxation		42,440	31,822

The Company has no recognised gains or losses other than the results as set out above and accordingly a separate statement of other comprehensive income has not been prepared.

The notes set out on pages 8 to 12 form part of these financial statements.

PROVEN LEGACY LIMITED

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2021**

		As at 31 December 2021 (unaudited)	As at 30 June 2021 (audited)
	Note	£	£
Fixed Assets			
Loans	9	2,547,143	2,750,332
Current assets			
Debtors		37,271	44,192
Cash at bank and in hand		951,255	795,785
Creditors – amounts falling due within one year		(89,214)	(58,957)
Net current assets		899,312	781,020
Total assets less current liabilities		3,446,455	3,531,352
Capital and reserves			
Called up share capital	8	32,463	33,678
Share premium		3,003,890	2,917,468
Unallotted share capital		-	-
Revenue reserves		410,102	580,206
Total equity shareholders' funds		3,446,455	3,531,352
Net Asset Value per Redeemable Growth Share		106.4p	105.0p
Net Asset Value per Redeemable Income Share		100.9p	103.3p

The notes set out on pages 8 to 12 form part of these financial statements.

PROVEN LEGACY LIMITED

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

	Called up share capital	Share premium	Unallotted share capital	Revenue reserve	Total
Six months to 31 December 2021 (unaudited)	£	£	£	£	£
At 1 July 2021	33,678	2,917,468	-	580,206	3,531,352
Issue of new shares in the period	827	86,422	-	-	87,249
Share issue costs	-	-	-	-	-
Redemption of shares	(2,042)	-	-	(208,260)	(210,302)
Dividends paid	-	-	-	(4,284)	(4,284)
Total comprehensive profit	-	-	-	42,440	42,440
At 31 December 2021	32,463	3,003,890	-	410,102	3,446,455

	Called up share capital	Share premium	Unallotted share Capital	Revenue reserve	Total
Six months to 31 December 2020 (unaudited)	£	£	£	£	£
At 1 July 2020	30,666	3,053,552	225,000	52,089	3,361,307
Issue of new shares in the period	3,585	371,416	(225,000)	-	150,001
Share issue costs	-	(7,500)	-	-	(7,500)
Total comprehensive profit	-	-	-	31,822	31,822
At 31 December 2020	34,251	3,417,468	-	83,911	3,535,630

The notes set out on pages 8 to 12 form part of these financial statements.

PROVEN LEGACY LIMITED

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS
FOR THE SIX MONTHS ENDED 31 DECEMBER 2021**

	Six months Ended 31 December 2021 (unaudited)	Six months Ended 31 December 2020 (unaudited)
	£	£
Profit on ordinary activities after taxation	42,440	31,822
Loans advanced	(200,000)	(2,275,000)
Capital repayments received	403,189	188,867
Decrease in debtors	6,921	16,399
Increase in creditors	30,257	2,129
Net cash used in operating activities	282,807	(2,035,783)
Cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from share issue	87,250	150,001
Share issue costs	-	(7,500)
Shares redeemed	(210,303)	-
Dividends paid	(4,284)	-
Net cash from financing	(127,337)	142,501
Increase/(decrease) in cash and cash equivalents	155,470	(1,893,282)
Cash at beginning of period	795,785	2,572,500
Net cash inflow/(outflow) for the period	155,470	(1,893,282)
Cash at end of period	951,255	679,218

The notes set out on pages 8 to 12 form part of these financial statements.

PROVEN LEGACY LIMITED

NOTES TO THE HALF-YEARLY REPORT (UNAUDITED)

1) Accounting policies

The Company has prepared its financial statements under Financial Reporting Standard 104 (“FRS104”).

The following accounting policies have been applied consistently throughout the period. Further details of principal accounting policies were disclosed in the Annual Report and Accounts for the year to 30 June 2021.

Income

Interest receivable on loans is recognised on an accruals basis.

Expenses

All expenses (inclusive of VAT) are accounted for on an accruals basis.

Loans

Loans are recognised when the Company becomes a party to the contractual provisions of the loans. Loans are initially recognised at transaction price and subsequently recognised at amortised cost, less any allowance for impairment. Loans are derecognised when the contractual rights to cash flows expire or have been settled.

Cash at bank and in hand

Cash at bank and in hand comprises cash in hand or on-demand deposits.

Capital and reserves

Capital and reserves for the Company represent the following:

Share capital – the nominal value of shares issued, increased for subsequent share issues or reduced due to shares bought back by the Company for cancellation.

Share premium – this reserve contains the excess of gross proceeds over the nominal value of shares allotted, less any share issue costs.

Unallotted share capital – this reserve contains any consideration received for the issue of share capital, but which, at the date of these accounts, is yet to be formally issued and allotted to the individuals who paid such consideration.

Revenue reserve - the cumulative net return or loss of the Company.

- 2) All revenue and capital items in the Unaudited Condensed Income Statement derive from continuing operations.
- 3) There are no other items of comprehensive income other than those disclosed in the Unaudited Condensed Income Statement.
- 4) The Company has only one operating segment as reported to the Board of Directors in their capacity as chief operating decision makers and derives its income from loans arranged with a variety of small

PROVEN LEGACY LIMITED
NOTES TO THE HALF-YEARLY REPORT (UNAUDITED)

and medium sized UK private companies.

5) The comparative figures are in respect of the year ended 30 June 2021 and the six-month period ended 31 December 2020.

6) Basic and diluted NAV per share for the period has been calculated on 3,246,192 shares, being the number of shares in issue at the period end.

7) Contingencies, Guarantees and Financial Commitments

At 31 December 2021, the Company had no other contingent liabilities, guarantees and financial commitments.

8) Share capital

	(unaudited) 31 December 2021		(audited) 30 June 2021	
	Number	Amount £	Number	Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	3,127,200	31,272	3,148,572	31,486
Redeemable Income Shares of £0.01 each	118,990	1,190	218,990	2,190
Total		32,464		33,678

Share movement in the period

During the period, movements in the Company's share capital were as follows:

	Redeemable Growth Shares		Redeemable Income Shares		Ordinary Shares	
	Number	Amount £	Number	Amount £	Number	Amount £
As at 1 July 2021	3,148,572	31,486	218,990	2,190	2	2
Issued in the period	82,813	827	-	-	-	-
Redeemed in the period	(104,185)	(1,042)	(100,000)	(1,000)	-	-
As at 31 December 2021	3,127,200	31,271	118,990	1,190	2	2

During the period, 82,813 Redeemable Growth Shares were issued at an average price of £1.05 per Redeemable Growth Share, with an aggregate consideration of £87,250. There were no share issue costs.

During the period, 104,185 Redeemable Growth Shares were redeemed at an average price of £1.04 per Redeemable Growth Share, with an aggregate consideration of £108,035.

During the period, 100,000 Redeemable Income Share were redeemed at a price of £1.02 per Redeemable Income Share, with a consideration of £102,267.

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Under the terms of the Offer for Subscription dated 3 June 2016 ("2016 Offer"), the Offer for Subscription dated 7 August 2017 ("2017 Offer"), the Offer for Subscription dated 21 August 2018 ("2018 Offer") and the Offer for Subscription dated 17 September 2019 ("2019 Offer"), Shareholders have the ability to redeem shares in accordance with the terms and conditions set out in the aforementioned offers.

As stated in the Annual Report and Accounts for the year ended 30 June 2021, the Lending Adviser has launched an Estate Planning Service with solar experts, Armstrong Capital.

9) Loans

Six months to 31 December 2021

<i>Debt instruments measured at amortised cost</i>	£
Loans at 1 July 2021	2,750,332
Loans advanced	200,000
Capital repayments	(403,189)
Loans at 31 December 2021	2,547,143

Year to 30 June 2021

<i>Debt instruments measured at amortised cost</i>	£
Loans at 1 July 2020	821,663
Loans advanced	2,425,000
Capital repayments	(496,331)
Loans at 30 June 2021	2,750,332

10) Controlling Party and related party transactions

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

Malcolm Moss, a Director of the Company, is also a Partner of Beringea LLP. Beringea LLP was the Company's Lending Adviser and Administration Manager during the period.

During the period from 1 July 2021 to 31 December 2021, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £8,692. The full amount remains outstanding at 31 December 2021 in respect of administration fees.

£4,000 initial fees were due to Beringea LLP in its capacity as Lending Adviser following the facilities extended to Cogora Group Limited. Furthermore, Beringea LLP is also due £10,000 monitoring fees in relation to its ongoing management of the Cloud 8 Limited and Premier Employer Solutions Limited facilities.

- 11)** The unaudited financial statements set out herein have not been subject to review by the auditor and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. They have therefore not been delivered to the Registrar of Companies. The figures for the period ended 30 June 2021 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.

PROVEN LEGACY LIMITED NOTES TO THE HALF-YEARLY REPORT (UNAUDITED)

12) The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 issued by the Financial Reporting Council.

13) Principal risks

The Company's operations expose the Company to a number of risks associated with financial instruments. The principal financial risks arising from the Company's operations are:

- Interest rate risk (as part of market risk)
- Credit risk; and
- Liquidity risk.

Interest rate risk

Interest rate risk is the risk that a change in interest rates will affect the financial performance or financial position of the Company. Interest rate risk is expected to be minimal as the loans attract interest at a fixed rate.

Credit risk

Credit risk is the risk that a counterparty to a financial instrument is unable to discharge a commitment to the Company made under that instrument. The Company is exposed to credit risk predominately through its loans and cash deposits. The Lending Adviser manages credit risk on loans through regular contact with the borrowers and through review of management accounts and other financial information. Credit risk is also mitigated by taking security over the borrower's assets. The level of security is a key means of managing credit risk on loans.

Cash is held by the Royal Bank of Scotland plc, rated A by Standard and Poor's, rated A+ by Fitch, and ultimately part-owned by the UK Government. Consequently, the Directors consider that the risk profile associated with cash is low.

There have been no impairment charges recognised during the period that are directly attributable to changes in credit risk.

The Company's exposure to credit risk is summarised as follows:

Cash and cash equivalents	£ 951,255
Loans	<u>2,547,143</u>
	<u>3,498,398</u>

Liquidity risk

Liquidity risk is the risk that the Company encounters difficulties in meeting obligations associated with its financial liabilities.

The Company always aims to hold sufficient level of cash in order to meet expenses and other cash outflows as required. The Company will generally seek to structure loans with monthly or quarterly repayments, where appropriate. For these reasons, the Board believes that the Company's exposure to liquidity risk is minimal.

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The Company's matched bargain service will seek to satisfy any redemption requests received from the Company's shareholders, which mitigates the liquidity risk surrounding redemptions.

As at 31 December 2021, no creditors are past due.

The below sets out a summary of the Company's assets and liabilities by expected maturity:

	Loans	Cash	Creditors
	£	£	£
Receivable after more than 1 year	2,138,260	-	(10,409)
Receivable/(due) within 1 year	408,883	951,255	(78,805)
Total	2,547,143	951,255	(89,214)

14) Going concern

The Directors have, at the time of approving the financial statements, a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Thus, they adopt the going concern basis of accounting in preparing the financial statements.

15) Post balance sheet events

Subsequent to the period end, a new loan of £250,000 was made to Cryotanks Limited, a company which specialises in the rental, supply, installation, inspection and maintenance of cryogenic vessels, vaporisers and associated equipment. A term sheet for £750,000 was also signed in January 2022 with a new portfolio company. In January 2022, Cogora Group Limited repaid the second £100,000 facility in full including any interest accrued on the balance to date. In addition, the Company extended a further £150,000 facility to Cogora Group Limited on separate terms to their existing loan.

Other than the matters described above, there were no material events during the period from 1 January 2022 to the date of this half yearly report.

PROVEN LEGACY LIMITED COMPANY INFORMATION

Company Number

10024220

Directors

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Malcolm Moss
all of
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Company Secretary

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Registered office and business address

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Lending Adviser

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Tel: 020 7845 7820

Administration Manager

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