

**PROVEN LEGACY LIMITED**

**HALF-YEARLY REPORT**

**For the Six Months Ended 31 December 2022**

# PROVEN LEGACY LIMITED

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## CHAIRMAN'S STATEMENT

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### Introduction

I have pleasure in presenting the half yearly report for ProVen Legacy Limited (the "Company") for the six months ended 31 December 2022.

### Net Asset Value

During the six-month period, the Net Asset Value ("NAV") per Growth Share increased by 0.8p, from 107.1p to 107.9p at 31 December 2022. The NAV per Income Share increased by 0.8p, from 101.2p to 102.0p at 31 December 2022.

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 2022 was £26,001.

### Fundraising activities

As stated in the Annual Report and Accounts for the year ended 30 June 2022, the Lending Adviser continues to manage the ProVen Estate Planning Service with Armstrong Capital, which launched in early 2021.

### Lending activity

As of 31 December 2022, the Company had advanced loans to eleven companies totalling £8,413,650. Of these, a total of £5,808,650 had been fully repaid. With partial repayments totalling £588,970, total outstanding balances amounted to £2,016,030 at 31 December 2022.

In the six-month period, £350,000 was extended to CK International Limited in September 2022. This was the second tranche of the original loan that was issued in June 2022. An additional amount of £330,000 was extended to the same company as part of a separate loan agreement in October 2022.

A total amount of £300,000 was extended to Cogora Group Limited in the six-month period, which was sent in two tranches of £100,000 and £200,000 in September and October 2022 respectively.

### Post balance sheet events

Subsequent to the period end, 194,851 Redeemable Growth Shares were redeemed at a price of £1.07 per Redeemable Growth Share, with an aggregate consideration of £208,142.

Other than the matters described above, there were no material events during the period from 1 January 2023 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  
1 March 2023

## PROVEN LEGACY LIMITED

### UNAUDITED CONDENSED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2022

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	Six months ended 31 December 2022 (unaudited)	Six months ended 31 December 2021 (unaudited)
Note	£	£
Loan interest income	118,267	111,657
Other income	1,000	7,500
Administrative expenses	(86,066)	(65,302)
<b>Operating profit</b>	<b>33,201</b>	<b>53,855</b>
Interest income	130	10
Bank charges	(188)	(182)
<b>Profit on ordinary activities before taxation</b>	<b>33,143</b>	<b>53,683</b>
Taxation	(7,142)	(11,243)
<b>Profit on ordinary activities after taxation</b>	<b>26,001</b>	<b>42,440</b>

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 2022**

		As at 31 December 2022 (unaudited)	As at 30 June 2022 (audited)
	Note	£	£
<b>Fixed Assets</b>			
Loans	9	2,016,030	3,302,771
<b>Current assets</b>			
Debtors		16,624	47,424
Cash at bank and in hand		1,695,539	289,279
Creditors – amounts falling due within one year		(179,323)	(125,984)
<b>Net current assets</b>		<b>1,532,840</b>	<b>210,719</b>
<b>Total assets less current liabilities</b>		<b><u>3,548,870</u></b>	<b><u>3,513,490</u></b>
<b>Capital and reserves</b>			
Called up share capital	8	32,953	32,869
Share premium		3,108,926	3,046,718
Unallotted share capital		-	-
Revenue reserves		406,991	433,903
<b>Total equity shareholders' funds</b>		<b><u>3,548,870</u></b>	<b><u>3,513,490</u></b>
<b>Net Asset Value per Redeemable Growth Share</b>		<b>107.9p</b>	<b>107.1p</b>
<b>Net Asset Value per Redeemable Income Share</b>		<b>102.0p</b>	<b>101.2p</b>

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 2022**

	Called up share capital	Share premium	Unallotted share capital	Revenue reserve	Total
Six months to 31 December 2022 (unaudited)	£	£	£	£	£
<b>At 1 July 2022</b>	<b>32,869</b>	<b>3,046,718</b>	-	<b>433,903</b>	<b>3,513,490</b>
Issue of new shares in the period	584	63,496	-	-	<b>64,080</b>
Share issue costs	-	(1,288)	-	-	<b>(1,288)</b>
Redemption of shares	(500)	-	-	(52,913)	<b>(53,411)</b>
Total comprehensive profit	-	-	-	26,001	<b>26,001</b>
<b>At 31 December 2022</b>	<b>32,953</b>	<b>3,108,926</b>	-	<b>406,991</b>	<b>3,548,870</b>

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

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 2022**

	<b>Six months Ended 31 December 2022 (unaudited)</b>	<b>Six months Ended 31 December 2021 (unaudited)</b>
	£	£
Profit on ordinary activities after taxation	26,001	42,440
Loans advanced	(980,000)	(200,000)
Capital repayments received	2,266,739	403,189
Decrease in debtors	30,800	6,921
Increase in creditors	53,341	30,257
<b>Net cash used in operating activities</b>	<b>1,396,881</b>	<b>282,807</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	64,080	87,250
Share issue costs	(1,288)	-
Shares redeemed	(53,413)	(210,303)
Dividends paid	-	(4,284)
<b>Net cash from financing</b>	<b>9,379</b>	<b>(127,337)</b>
<b>Increase/(decrease) in cash and cash equivalents</b>	<b>1,406,260</b>	<b>155,470</b>
<b>Cash at beginning of period</b>	<b>289,279</b>	<b>795,785</b>
Net cash inflow/(outflow) for the period	1,406,260	155,470
<b>Cash at end of period</b>	<b>1,695,539</b>	<b>951,255</b>

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)

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### 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 2022.

#### 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



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**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 2022 and the six-month period ended 31 December 2021.

6) Basic and diluted NAV per share for the period has been calculated on 3,295,270 shares, being the number of shares in issue at the period end.

**7) Contingencies, Guarantees and Financial Commitments**

At 31 December 2022, the Company had no other contingent liabilities, guarantees and financial commitments.

**8) Share capital**

	(unaudited)		(audited)	
	31 December 2022		30 June 2022	
	Number	Amount £	Number	Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	3,176,278	31,761	3,167,833	31,678
Redeemable Income Shares of £0.01 each	118,990	1,190	118,990	1,190
<b>Total</b>		<b>32,953</b>		<b>32,870</b>

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 2022	3,167,833	31,678	118,990	1,190	2	2
Issued in the period	58,445	583	-	-	-	-
Redeemed in the period	(50,000)	(500)	-	-	-	-
As at 31 December 2022	<b>3,176,278</b>	<b>31,761</b>	<b>118,990</b>	<b>1,190</b>	<b>2</b>	<b>2</b>

During the period, 58,445 Redeemable Growth Shares were issued at an average price of £1.07 per Redeemable Growth Share, with an aggregate consideration of £62,792, which excluded share issue costs of £1,288.

During the period, 50,000 Redeemable Growth Shares were redeemed at a price of £1.07 per Redeemable Growth Share, for a consideration of £53,411.

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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 2022, the Lending Adviser launched an Estate Planning Service in early 2021 with solar experts, Armstrong Capital.

**9) Loans**

**Six months to 31 December 2022**

*Debt instruments measured at amortised cost*

	<b>£</b>
Loans at 1 July 2022	3,302,771
Loans advanced	980,000
Capital repayments	<u>(2,266,741)</u>
<b>Loans at 31 December 2022</b>	<b><u>2,016,030</u></b>

**Year to 30 June 2022**

*Debt instruments measured at amortised cost*

	<b>£</b>
Loans at 1 July 2021	2,750,332
Loans advanced	1,600,000
Capital repayments	<u>(1,047,561)</u>
<b>Loans at 30 June 2022</b>	<b><u>3,302,771</u></b>

**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 2022 to 31 December 2022, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £10,751. The full amount remains outstanding at 31 December 2022 in respect of administration fees.

During the period from 1 July 2022 to 31 December 2022, fees payable to Beringea LLP in its capacity as Lending Adviser amounted to £32,253. The full amount remains outstanding at 31 December 2022 in respect of advisory fees.

£6,800 initial fees were due to Beringea LLP in its capacity as Lending Adviser following the facilities extended to CK International Limited.

**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 2022 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

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

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unqualified.

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:

	£
Loans	2,016,030
Cash and cash equivalents	<u>1,695,539</u>
	<b><u>3,711,569</u></b>

#### *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

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minimal.

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 2022, no creditors are past due.

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

	<b>Loans</b>	<b>Cash</b>	<b>Creditors</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Receivable after more than 1 year	1,109,952	-	-
Receivable/(due) within 1 year	906,078	1,695,539	(179,323)
Total	<b>2,016,030</b>	<b>1,695,539</b>	<b>(179,323)</b>

**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, 194,851 Redeemable Growth Shares were redeemed at a price of £1.07 per Redeemable Growth Share, with an aggregate consideration of £208,142.

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

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**Company Number**

10024220

**Directors**

Jamie Perkins (Chair)  
Robin Chamberlayne  
Malcolm Moss  
all of  
Charter House  
55 Drury Lane  
London WC2B 5SQ

**Company Secretary**

Beringea LLP  
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55 Drury Lane  
London WC2B 5SQ  
Tel: 020 7845 7820

**Registered office and business address**

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Tel: 020 7845 7820

**Lending Adviser**

Beringea LLP  
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Tel: 020 7845 7820

**Administration Manager**

Beringea LLP  
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Tel: 020 7845 7820

**Tax Advisers**

Philip Hare & Associates LLP  
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EC1A 2AY

**Solicitors to the Company**

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**Registrars**

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29 Wellington Street  
Leeds LS1 4DL

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Paternoster House  
65 St Paul's Churchyard  
London EC4M 8AB

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