

**PROVEN LEGACY LIMITED**

**ANNUAL REPORT AND ACCOUNTS**

**For the year ended 30 June 2023**

## PROVEN LEGACY LIMITED

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#### FOR THE YEAR ENDED 30 JUNE 2023

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## **CHAIR'S STATEMENT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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#### **Introduction**

I am pleased to present the Annual Report and Accounts for ProVen Legacy Limited (the "Company" or "Legacy") for the year ended 30 June 2023.

#### **Fundraising activities**

To date, the Company has raised £3,991,537 and Beringea LLP (the "Lending Adviser" or "Beringea") continues to manage an Estate Planning Service ("ProVen Estate Planning Service") with Armstrong Capital ("Armstrong"), which was launched in 2021. Beringea and Armstrong now manage trading companies with over £90m in combined assets.

#### **Results**

The net profit for the year ended 30 June 2023 was £53,258 (2022: £66,241).

#### **Dividends**

The Company did not declare or pay a dividend in the year to 30 June 2023 (2022: 3.6p per Income Share to Income Shareholders).

#### **Lending activity**

At 30 June 2023, the Company had advanced twelve loans totalling £9,913,650 (2022: £7,433,650). Of these, a total of £5,758,650 had been fully repaid. Of the remaining balance, total outstanding balances amounted to £2,825,883 (2022: £3,302,771) at 30 June 2023.

During the year, a new loan of £1,250,000 was made to Rivington Energy Limited, one of the UK's leading renewable energy developers. A further £350,000 was extended to CK International Limited, which 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. An additional £250,000 was extended to Cryotanks Limited, split into two tranches of £125,000 each in March and June 2023. A total amount of £300,000 was extended to Cogora Group Limited in the year, 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 in July 2023, 96,240 Redeemable Growth Shares were redeemed at a price of £1.07 per Redeemable Growth Share, with an aggregate consideration of £103,090.

In October 2023, 96,000 Redeemable Growth Shares were redeemed at a price of £1.09 per Redeemable Growth Share, with an aggregate consideration of £103,499.

The Company held a General Meeting on 17 July 2023 to allow for the cancellation of the share premium account and for the amount of £3,223,528 to be credited to the distributable reserve. The resolution was passed in the meeting.

The Company extended a loan of £125,846 to Vision Asset Finance Limited in October 2023.

Other than the matters described above, there were no material events during the period from 1 July 2023 to the date of these financial statements.

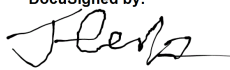
## CHAIR'S STATEMENT

### FOR THE YEAR ENDED 30 JUNE 2023

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#### **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.

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**Jamie Perkins**  
Chair  
1 November 2023

**BOARD OF DIRECTORS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

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**Jamie Perkins (Chair)**

Jamie is a partner at Westminster Wealth Management LLP (“Westminster Wealth”), an FCA regulated independent financial planning firm looking after private clients. Jamie heads up the tax efficient investment division, which provides the research, due diligence, investment oversight and advice in this area for private clients. Having filled this role for over 20 years, Jamie has reviewed and monitored a significant number of tax advantaged funds and strategies. He also sits on the Westminster Wealth investment committee helping to direct the investment strategy of the group and helps to select discretionary investment solutions for private clients.

**Robin Chamberlayne**

Robin is the founding partner of Progressive Strategic Solutions LLP (one of the first Chartered firms of Financial Planners in the UK) and co-founder of Armstrong Energy, a successful company managing property and energy infrastructure assets in the UK and India. Armstrong Energy manages assets for institutions and private clients. Robin also sits on the board of a number of EIS backed companies.

**Malcolm Moss**

Malcolm is a founding partner of Beringea LLP. Over the last 30 years he has been responsible for the growth, development and management of the private equity business of Beringea in both the UK and the USA. In addition to sitting on the boards of ProVen VCT plc and ProVen Growth and Income VCT plc, he sits on the investment committees of Beringea Group’s US venture capital funds.

All the Directors are executive and, with the exception of Malcolm Moss, are independent of the Lending Adviser.

# STRATEGIC REPORT

## FOR THE YEAR ENDED 30 JUNE 2023

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The Directors present the Strategic Report for the year ended 30 June 2023. The Board prepared this report in accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

### Principal activities and status

The principal strategy of the Company is to identify opportunities to make loans to a variety of small and medium sized UK private companies with the principal aim of generating stable returns for Shareholders, whilst at the same time seeking to provide diversification and risk protection. The common feature of such loans will be that each loan will be backed by assets used in the business, or the business will have predictable revenue streams.

### Business model

The Company intends to lend to businesses which have some or all of the following key characteristics:

- **A proven demand for the company's product or service.** Companies will normally have a turnover of between £1 million and £50 million per annum at the point that the Company provides financing, evidencing demand for their products or services.
- **Core assets**, fixed and current, over which the Company will normally take security, such as:
  - asset backed lending – namely specific finance for, by way of example, plant and machinery, technology, media and telecoms equipment;
  - renewable assets;
  - infrastructure assets;
  - property assets;
  - stock; and
  - debtors.

The above is not an exhaustive list and assets will be assessed on a case-by-case basis. In the absence of core assets, the companies may have **predictable revenue streams**.

- **A strong management team** with a proven track record of achievement.

The loans made by the Company will generally have repayment profiles which will be repaid on a monthly or quarterly basis over a three or four year period on an amortising basis, with capital and interest repayments being made on a regular basis.

### Principal risks and uncertainties

The principal risks faced by the Company relating to its trading activities and how they are managed are as follows:

#### *Risk of loan non-performance*

The value of loans advanced by the Company may vary because of a number of factors, including, but not limited to, the financial condition of the underlying borrowers, the industry in which a borrower operates, general economic or political conditions, interest rates, the condition of the debt trading markets and certain other financial markets, developments or trends in any particular industry and changes in prevailing interest rates.

As a lender, the Company will not control or influence the boards of directors of companies to whom it lends and may not be in a position to protect its interests fully. Although the Company aims to make asset secured loans to small and medium sized unquoted companies with strong prospects, some companies may have limited cashflow resources to make repayment of the loans. Although the Company intends to take security

## **STRATEGIC REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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in the assets which have a resale value, there is no guarantee that the assets will have any value should they need to be sold to repay the debt finance, as they may not be readily marketable.

The level of defaults on loans and the losses suffered on such defaults may increase in the event of adverse financial or credit market conditions. The liquidity in defaulted loans may also be limited, and to the extent that defaulted loans are sold, it is possible that the proceeds from such a sale could be lower than the amount of unpaid principal and interest thereon, which would adversely affect the value of the loans and, consequently, the net asset value of the Company.

The Lending Adviser closely monitors the activities and performance of the companies to which loans are extended and reports to the Board on a quarterly basis.

#### *Concentration risk of loan portfolio*

A high proportion of the Company's net assets is currently represented by a loan to one borrower in particular, namely Rivington Energy Limited. The performance of the Company is therefore heavily dependent on the performance of this borrower. As noted above, active monitoring of the borrowers is undertaken by the Lending Adviser and as further loans are advanced and capital repayments are made by Rivington Energy Limited, it is expected that this concentration risk will be reduced.

#### *Risks relating to taxation*

The Directors intend to operate the Company in the expectation that the trading activities of the Company will be a qualifying trade for Inheritance Tax Business Property Relief, but there can be no guarantee that the Company will fulfil or maintain the criteria to obtain such relief or that HMRC will not challenge whether Shareholders are entitled to Business Property Relief, which may give rise to Shareholders incurring costs in engaging professional advisers to defend their position.

The Company engages Philip Hare and Associates LLP to advise on inheritance tax and specifically Business Property Relief in relation to the activities of the Company.

The Company's principal financial risks for the year ended 30 June 2023 are detailed in note 12 on pages 27 and 28.

#### *Economic and Geopolitical Factors*

The outlook for the UK economy continues to be dominated by the rise in inflation and a potential recession. The final impact on the Company, if any, is difficult to predict. The Company is, however, through its Lending Adviser, in close contact with portfolio companies and receiving regular updates on performance. With all repayments continuing to be on time and as expected up to 30 June 2023, there are no indications that any company is suffering any particularly adverse effects. Nevertheless, loans are kept under review for any impairment. This is discussed in more detail in the Chair's Statement.

#### **Business review and future developments**

The Company's business review and future developments are set out in the Chair's Statement on page 3.

#### **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 Net Asset Value per Redeemable Growth Share, Net Asset Value per Redeemable Income Share and repayment of loans against contractual agreements.

## STRATEGIC REPORT

### FOR THE YEAR ENDED 30 JUNE 2023

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During the year, the Net Asset Value (“NAV”) per Growth Share increased from 107.1p to 108.9p at 30 June 2023.

During the same period, the Net Asset Value (“NAV”) per Income Share increased from 101.2p to 102.9p at 30 June 2023.

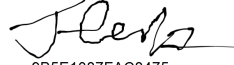
The total difference in Net Asset Value between the two share classes is primarily a result of the 5.0p per share total dividends paid to Income Shareholders to date as well as the associated administrative costs.

#### **Board engagement with our stakeholders**

The Directors have considered section 172 of the Companies Act 2006 and are aware of their wider responsibilities not only to the Company and its members but also to a wider group of stakeholders. As a company, we believe in forming strong, open and direct relationships with our key stakeholders, including clients, suppliers and regulators.

- *Clients:* The Board receives regular updates from senior management on the Company’s interaction with its investee companies. There are no individual clients.
- *Suppliers:* We ensure we have signed contracts with all major suppliers and we seek to meet our contractual obligations to all suppliers.
- *Regulators:* we engage regularly in open, candid discussions with our regulators and prioritise meeting all necessary regulatory requirements.

By order of the Board

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**Jamie Perkins**  
Chair  
1 November 2023



## **DIRECTORS' REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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The Directors present the Annual Report and Accounts of the Company for the year ended 30 June 2023.

#### **Results and dividends**

The results for the year are set out on page 15.

The Company did not pay a dividend in the year to Income Shareholders (2022: 3.6p per Income Share).

#### **Directors**

The Directors, whose names and biographies are set out on page 5, all served throughout the year.

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.

#### **Share capital**

The issued share capital of the Company as at 30 June 2023 is set out in note 8 of these accounts on pages 23 to 25.

During the year, 165,483 Redeemable Growth Shares were issued at an average price of £1.08 per share, with an aggregate consideration of £178,450, which excluded share issue costs of £2,713.

During the year, 342,134 Redeemable Growth Shares were redeemed at an average price of £1.07 per share, with an aggregate consideration of £365,618.

#### **Borrowings**

It is not the Company's intention to have any borrowings. The Company, however, has the ability to borrow a maximum amount which is equal to 10% of NAV.

#### **Auditor**

The Company will re-appoint Lubbock Fine LLP as the Company's auditor for the next financial year. Lubbock Fine LLP has expressed its willingness to continue in office.

#### **Directors' indemnity**

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

#### **Statement of Directors' responsibilities**

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;

## DIRECTORS' REPORT

### FOR THE YEAR ENDED 30 JUNE 2023

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- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- 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.

#### **Website publication**

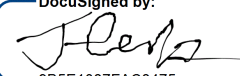
The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website, [www.provenlegacy.co.uk](http://www.provenlegacy.co.uk), in accordance with legislation in the United Kingdom governing the preparation and dissemination of financial statements, which may vary from legislation in other jurisdictions. The Directors' responsibility also extends to the ongoing integrity of the financial statements contained therein.

#### **Disclosure of information to auditor**

Each of the persons who are Directors at the time when this Directors' report is approved has confirmed that:

- so far as the Director is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Director has taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

By order of the Board

DocuSigned by:  


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**Jamie Perkins**

Chair

1 November 2023

## **INDEPENDENT AUDITOR'S REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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#### **Opinion**

We have audited the financial statements of ProVen Legacy Limited (“the Company”) for the year ended 30 June 2022 which comprise the Statement of Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion, the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### **Basis for opinion**

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

#### **Conclusions relating to going concern**

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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

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

## **INDEPENDENT AUDITOR'S REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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#### **Other information**

The other information comprises the information included in the Annual Report other than the financial statements and our Auditors' Report thereon. The directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

#### **Opinions on other matters prescribed by the Companies Act 2006**

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

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

#### **Matters on which we are required to report by exception**

In the light of the knowledge and understanding of the Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and Directors' Report. We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 as applied to Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

#### **Responsibilities of Directors**

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

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

## **INDEPENDENT AUDITOR'S REPORT**

### **FOR THE YEAR ENDED 30 JUNE 2023**

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#### **Auditor's responsibilities for the audit of the financial statements**

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

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud.

In identifying and assessing risks of material misstatement in respect of irregularities, including fraud and noncompliance with laws and regulations, we considered the following:

- Enquiries of management, including obtaining and reviewing supporting documentation, concerning the Company's policies and procedures relating to:
  - identifying, evaluating and complying with laws and regulations and whether they were aware of any instances of non-compliance
  - detecting and responding to the risks of fraud and whether they have knowledge of any actual, suspected or alleged fraud; and
  - the internal controls established to mitigate risks related to fraud or non-compliance of laws and regulations; and
- Discussions among the engagement team regarding how and where fraud might occur in the financial statements and any potential indicators of fraud. The engagement team includes audit partners and staff who have extensive experience of working with entities in similar sectors and this experience was relevant to the discussion about where fraud risks might arise.

We also obtained an understanding of the legal and regulatory framework that the company operates in, focusing on provisions of those laws and regulations that had direct effect on the determination of material amounts and disclosures in the financial statements. The key laws and regulations we considered in this context included the Companies Act 2006 and Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

In addition, we considered provisions of other laws and regulations that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty. These general data protection regulations, health and safety regulations, and employment law.

As a result of these procedures, we considered the particular areas that were susceptible to misstatement due to fraud were in respect of revenue recognition and management override. Our procedures to respond to risks identified included the following:

- reviewing the financial statement disclosures and testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- enquiring of management concerning actual and potential litigation and claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;

## INDEPENDENT AUDITOR'S REPORT

### FOR THE YEAR ENDED 30 JUNE 2023

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- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition on a sample basis;
- reviewing loan recognition based on loan agreements and related amortisation; and
- in addressing the risk of fraud through management override of controls, testing the appropriateness of journal entries and other adjustments; assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluating the rationale of any significant transactions that are unusual or outside the normal course of the Company's operations.

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

#### **Use of our report**

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditors' Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

DocuSigned by:

*Sam Snelson*

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**Sam Snelson** (Senior Statutory Auditor)

For and on behalf of

**Lubbock Fine LLP**

Chartered Accountants & Statutory Auditors

Paternoster House

65 St Paul's Churchyard

London

EC4M 8AB

Date: 1 November 2023

**PROVEN LEGACY LIMITED**

**STATEMENT OF COMPREHENSIVE INCOME  
FOR THE YEAR ENDED 30 JUNE 2023**

|  | Note | Year ended 30<br>June 2023<br>£ | Year ended 30<br>June 2022<br>£ |
|--|------|---------------------------------|---------------------------------|
| Loan interest income                                 | 2    | 212,964                         | 191,550                         |
| Other income   | 2    | 7,000                           | 13,750                          |
| <b>Operating income</b>                              |      | <b>219,964</b>                  | <b>205,300</b>                  |
| Administrative expenses                              |      | (156,040)                       | (121,843)                       |
| <b>Operating profit</b>                              |      | <b>63,924</b>                   | <b>83,457</b>                   |
| Interest income                                      |      | 3,788                           | 63                              |
| Bank charges   |      | (629)                           | (344)                           |
| <b>Profit on ordinary activities before taxation</b> |      | <b>67,083</b>                   | <b>83,176</b>                   |
| Taxation   | 4    | (13,824)                        | (16,935)                        |
| <b>Profit on ordinary activities after taxation</b>  |      | <b>53,259</b>                   | <b>66,241</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.

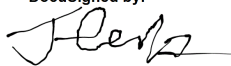
The notes set out on pages 19 to 29 form part of these financial statements.

**PROVEN LEGACY LIMITED**

**STATEMENT OF FINANCIAL POSITION**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|  |      | As at<br>30 June 2023 | As at<br>30 June 2022 |
|--|------|-----------------------|-----------------------|
|  | Note | £                     | £                     |
| <b>Fixed Assets</b>                                |      |                       |                       |
| Loans  | 13   | 2,825,883             | 3,302,771             |
| <b>Current assets</b>                              |      |                       |                       |
| Debtors  | 5    | 11,953                | 47,424                |
| Cash at bank and in hand                           |      | 648,947               | 289,279               |
| Creditors – amounts falling due within one year    | 6    | (107,188)             | (125,984)             |
| <b>Net current assets</b>                          |      | <b>553,712</b>        | <b>210,719</b>        |
| <b>Total assets less current liabilities</b>       |      | <b>3,379,595</b>      | <b>3,513,490</b>      |
| <b>Capital and reserves</b>                        |      |                       |                       |
| Called up share capital                            | 8    | 31,102                | 32,869                |
| Share premium                                      |      | 3,223,528             | 3,046,718             |
| Revenue reserve                                    |      | 124,965               | 433,903               |
| <b>Total equity shareholders' funds</b>            |      | <b>3,379,595</b>      | <b>3,513,490</b>      |
| <b>Net Asset Value per Redeemable Growth Share</b> | 9    | <b>108.9p</b>         | <b>107.1p</b>         |
| <b>Net Asset Value per Redeemable Income Share</b> | 9    | <b>102.9p</b>         | <b>101.2p</b>         |

The notes set out on pages 19 to 29 form part of these financial statements.

DocuSigned by:  


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**Jamie Perkins**

Chair  
ProVen Legacy Limited  
Company number: 10024220  
1 November 2023



## PROVEN LEGACY LIMITED

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2023

| For the year ended 30 June 2023   | Note | Called up<br>share capital | Share premium    | Unallotted<br>share capital | Revenue<br>reserve | Total            |
|-----------------------------------|------|----------------------------|------------------|-----------------------------|--------------------|------------------|
|                                   |      | £                          | £                | £                           | £                  | £                |
| <b>At 1 July 2022</b>             |      | 32,869                     | 3,046,718        | -                           | 433,903            | 3,513,490        |
| Issue of new shares in the period | 8    | 1,654                      | 179,523          | -                           | -                  | 181,177          |
| Share issue costs                 |      | -                          | (2,713)          | -                           | -                  | (2,713)          |
| Redemption of shares              | 8    | (3,421)                    | -                | -                           | (362,197)          | (365,618)        |
| Dividends paid                    |      | -                          | -                | -                           | -                  | -                |
| Total comprehensive income        |      | -                          | -                | -                           | 53,259             | 53,259           |
| <b>At 30 June 2023</b>            |      | <b>31,102</b>              | <b>3,223,528</b> | <b>-</b>                    | <b>124,965</b>     | <b>3,379,595</b> |
| For the year ended 30 June 2022   |      | Called up<br>share capital | Share premium    | Unallotted<br>share capital | Revenue<br>reserve | Total            |
|                                   |      | £                          | £                | £                           | £                  | £                |
| <b>At 1 July 2021</b>             |      | 33,678                     | 2,917,468        | -                           | 580,206            | 3,531,352        |
| Issue of new shares in the period | 8    | 1,232                      | 129,250          | -                           | -                  | 130,482          |
| Redemption of shares              | 8    | (2,041)                    | -                | -                           | (208,260)          | (210,301)        |
| Dividends paid                    |      | -                          | -                | -                           | (4,284)            | (4,284)          |
| Total comprehensive income        |      | -                          | -                | -                           | 66,241             | 66,241           |
| <b>At 30 June 2022</b>            |      | <b>32,869</b>              | <b>3,046,718</b> | <b>-</b>                    | <b>433,903</b>     | <b>3,513,490</b> |

The notes set out on pages 19 to 29 form part of these financial statements.

**PROVEN LEGACY LIMITED**

**STATEMENT OF CASH FLOWS**  
**FOR THE YEAR ENDED 30 JUNE 2023**

|  | <b>Year ended<br/>30 June 2023</b> | <b>Year ended<br/>30 June 2022</b> |
|--|------------------------------------|------------------------------------|
|  | <b>£</b>                           | <b>£</b>                           |
| Profit on ordinary activities before taxation              | 67,083                             | 83,175                             |
| Loans advanced   | (2,479,451)                        | (1,600,000)                        |
| Capital loan repayments received                           | 2,956,888                          | 1,047,561                          |
| Decrease/(increase) in debtors                             | 34,024                             | (3,229)                            |
| (Decrease)/increase in creditors                           | (15,734)                           | 71,135                             |
| Tax paid   | (15,989)                           | (21,045)                           |
| <b>Net cash inflow/(outflow) from operating activities</b> | <b>546,821</b>                     | <b>(422,403)</b>                   |
| <b>Cash flows from investing activities</b>                | <b>-</b>                           | <b>-</b>                           |
| <b>Cash flows from financing activities</b>                |                                    |                                    |
| Proceeds from share issue – allotted                       | 181,178                            | 130,482                            |
| Share issue costs  | (2,713)                            | -                                  |
| Shares redeemed  | (365,618)                          | (210,301)                          |
| Dividends paid   | -                                  | (4,284)                            |
| <b>Net cash outflow from financing activities</b>          | <b>(187,153)</b>                   | <b>(84,103)</b>                    |
| <b>Increase/(decrease) in cash and cash equivalents</b>    | <b>359,668</b>                     | <b>(506,506)</b>                   |
| <b>Cash at beginning of period</b>                         | <b>289,279</b>                     | <b>795,785</b>                     |
| Net cash inflow/(outflow) for the period                   | 359,668                            | (506,506)                          |
| <b>Cash at end of period</b>                               | <b>648,947</b>                     | <b>289,279</b>                     |

The notes set out on pages 19 to 29 form part of these financial statements.

## **PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS**

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### **1) Accounting policies**

Proven Legacy Limited is a private company limited by shares, incorporated in England & Wales under the Companies Act. The address of the registered office is given on the Company Information page and the nature of the Company's operations and its principal activities are set out in the Strategic Report. The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The following accounting policies have been applied consistently throughout the year.

#### **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.

#### **Income**

Income from loans is recognised on an effective rate basis, reflecting all fixed returns associated with the loan and amortised over the life of the loan.

Other income is recognised when the Company becomes contractually entitled to the income.

#### **Expenses**

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

#### **Current and deferred taxation**

Corporation tax is applied to profits chargeable to corporation tax, if any, at the applicable rate for the period.

Deferred tax is recognised in respect of all timing differences that have originated, but not reversed by the balance sheet date, to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met. Deferred income tax is measured on a non-discounted basis at the tax rates that are expected to apply in the years in which timing differences are expected to reverse, and determined using tax rates and laws that have been enacted or substantively enacted by the reporting date.

#### **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 as assessed based on the loan's effective interest rate, which includes all fixed returns associated with the loan, 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.

## **PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS**

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### **Debtors and creditors**

Debtors and creditors are recognised at cost with any allowance for impairment.

### **Capital and reserves**

The Company's share capital comprises Ordinary Shares, Redeemable Growth Shares and Redeemable Income Shares.

These share classes are considered to constitute equity rather than liabilities because there is no contractual obligation to deliver cash through mandatory redemption of shares or mandatory dividend payments and because the shares have a residual interest in the assets of the Company after deducting all of its liabilities since these shares are entitled to a proportion of capital on wind up.

Capital and reserves for the Company represent the following:

Called up share capital – the nominal value of shares issued, increased for subsequent share issues or reduced due to shares redeemed by the Company.

Share premium – this reserve contains the excess of gross proceeds over the nominal value of shares allotted, less any share issue costs, to the extent that it has not been cancelled.

Unallotted share capital – this reserve contains any consideration received for the issue of share capital, but which, at the date of these financial statements, 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. Dividends may be paid from this reserve. Following the year end, the Company cancelled its share premium and transferred it to the revenue reserve. This was to enhance the Company's ability to pay dividends and to facilitate any future share redemptions.

### **Dividends**

Dividends payable are recognised when they become legally binding, being on approval by the Directors in a Board meeting, subject to availability of distributable reserves.

### **Significant judgements and estimates**

#### *Provisions and Contingent Liabilities*

The Company exercises judgement in measuring and recognising provisions and the exposures to contingent liabilities. A provision is recognised when there is a present obligation as a result of a past event and where a transfer of economic benefits is probable to settle the obligation and the obligation can be reliably measured. Provisions are measured at the best estimate of the amount required to settle the obligation at the reporting date.

Contingent liabilities arise where the outflow of economic benefits cannot be measured reliably, or it is not probable that an outflow of economic benefits will be required.

#### *Impairment of Loans*

A loan is considered to be impaired when it is probable that not all of the related principal and interest payments will be collected.

## PROVEN LEGACY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

Loans are reviewed for impairment at each reporting date and when the Company is aware of events or other factors which may indicate an impairment could arise. Management assesses the impairment of loans through discussion at Board meetings, having regular communication with senior management, reviewing forecasts, monitoring covenants and assessing where the loan is held in the equity and debt stack.

In reviewing for impairment, management also considers a number of factors, including whether all repayments have been made to date, the past and present performance and future forecasts of the companies the loans have been provided to and any other available information.

#### 2) Revenue

|                      | Year ended<br>30 June 2023<br>£ | Year ended<br>30 June 2022<br>£ |
|----------------------|---------------------------------|---------------------------------|
| Loan interest income | 212,964                         | 191,550                         |
| Other income         | 7,000                           | 13,750                          |

Loan interest income includes any fixed exit fees which form part of a facility agreement. These fees have been factored into the effective interest rate applied to the life of a loan. If a loan terminates early, however, any balance in excess of that already included in interest will be recognised separately as early exit income.

Other income comprises initial fees and extension fees on loans issued in the year.

#### 3) Administrative expenses

Included within administrative expenses are the following:

|  | Year ended 30<br>June 2023<br>£ | Year ended 30<br>June 2022<br>£ |
|--|---------------------------------|---------------------------------|
| Directors' remuneration                          | 20,000                          | 20,000                          |
| Social security costs on Directors' remuneration | 262                             | 320                             |
| Auditor's remuneration for statutory audit       | 16,500                          | 12,500                          |
| Auditor's remuneration – tax compliance          | 2,504                           | 2,504                           |

#### Directors' remuneration

Since 3 June 2016, Jamie Perkins and Robin Chamberlayne were each entitled to receive a fee of £10,000 per annum. Malcolm Moss is not entitled to a fee. Once net proceeds of £5,000,000 have been raised by the Company, the fees of Jamie Perkins will increase to £20,000 per annum and the fees of Robin Chamberlayne will increase to £15,000 per annum, as from the commencement of the following financial year.

The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings or otherwise in connection with the discharge of their duties.

The Company does not have any pension arrangements or share options in place.

**PROVEN LEGACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**4) Tax on ordinary activities**

|   | Year ended<br>30 June 2023<br>£ | Year ended<br>30 June 2022<br>£ |
|---|---------------------------------|---------------------------------|
| Profit on ordinary activities before taxation   | 67,083                          | 83,175                          |
| Tax charge at the applicable rate of 19.00% for the nine months to 31 March 2023 and 25.00% for the remaining three months to 30 June 2023 (2022: 19.00%) | 13,753                          | 15,803                          |
| <i>Effects of:</i>  |                                 |                                 |
| Expenses not deductible for tax purposes  | 754                             | 1,132                           |
| Marginal relief   | (683)                           | -                               |
| Corporation tax charge  | <b>13,824</b>                   | <b>16,935</b>                   |

**5) Debtors**

|                  | As at<br>30 June 2023<br>£ | As at<br>30 June 2022<br>£ |
|------------------|----------------------------|----------------------------|
| Accrued interest | 10,650                     | 38,736                     |
| Other debtors    | 1,303                      | 8,688                      |
| <b>Total</b>     | <b>11,953</b>              | <b>47,424</b>              |

**6) Creditors**

|                                   | As at<br>30 June 2023<br>£ | As at<br>30 June 2022<br>£ |
|-----------------------------------|----------------------------|----------------------------|
| Accruals                          | 91,363                     | 107,049                    |
| Taxation payable                  | 13,825                     | 16,935                     |
| Social security and taxes payable | 2,000                      | 2,000                      |
| <b>Total</b>                      | <b>107,188</b>             | <b>125,984</b>             |

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

At 30 June 2023, the Company had no contingent liabilities, guarantees or financial commitments.

**PROVEN LEGACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**8) Share capital**

| Issued, allotted, called up and fully paid: | 30 June 2023 |               | 30 June 2022 |               |
|---|--------------|---------------|--------------|---------------|
|   | Number       | Amount<br>£   | Number       | Amount<br>£   |
| Ordinary Shares of £1 each                  | 2            | 2             | 2            | 2             |
| Redeemable Growth Shares of £0.01 each      | 2,991,182    | 29,910        | 3,167,833    | 31,677        |
| Redeemable Income Shares of £0.01 each      | 118,990      | 1,190         | 118,990      | 1,190         |
| <b>Total</b>                                |              | <b>31,102</b> |              | <b>32,869</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<br>£   | Number                   | Amount<br>£  | Number          | Amount<br>£ |
| As at 1 July 2022      | <b>3,167,833</b>         | <b>31,677</b> | <b>118,990</b>           | <b>1,190</b> | <b>2</b>        | <b>2</b>    |
| Issued in the period   | 165,483                  | 1,654         | -                        | -            | -               | -           |
| Redeemed in the period | (342,134)                | (3,421)       | -                        | -            | -               | -           |
| As at 30 June 2023     | <b>2,991,182</b>         | <b>29,910</b> | <b>118,990</b>           | <b>1,190</b> | <b>2</b>        | <b>2</b>    |

During the year, 165,483 Redeemable Growth Shares were issued at an average price of £1.08 per share, with an aggregate consideration of £178,450, which excluded share issue costs of £2,713.

During the year, 342,134 Redeemable Growth Shares were redeemed at an average price of £1.07 per share, with an aggregate consideration of £365,618.

Share Rights

**Ordinary Shares**

The holders of Ordinary Shares shall be entitled to receive such dividends as may be declared by the Company in a general meeting.

Each holder of Ordinary Shares present in person or by proxy shall on a poll have one vote for every Ordinary Share of which they are the holder.

On a winding up the holders of the Ordinary Shares shall be entitled to be paid out of the assets of the Company available for distribution the nominal amount paid up on such shares pari passu with, and in proportion to, amounts of capital paid to the holders of other classes of shares, but do not carry any further right to participate in the surplus assets of the Company.

## **PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS**

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### **Redeemable Growth Shares**

The Redeemable Growth Shares carry no right to receive any dividend out of the revenue profits of the Company.

In respect of any period, the aggregate of the revenue profits of the Company (after taking account of a reasonable allocation of costs attributable to the Redeemable Income Shares which will be allocated directly to such classes of share) multiplied by the most recently calculated Redeemable Growth Share Capital Ratio shall belong to the holders of the Redeemable Growth Shares (as between them pro rata to their respective holding of Redeemable Growth Shares) and shall be aggregated with the Net Asset Value of the Redeemable Growth Shares for the purposes of calculating the Redeemable Growth Share Capital Ratio.

On a winding up or on a return of capital (otherwise than on a redemption pursuant to Article 10.2.4), the holders of the Redeemable Growth Shares shall be entitled to be paid such proportion of the surplus capital and assets of the Company available for distribution as is equivalent to the most recently calculated Redeemable Growth Share Capital Ratio, pro rata to their respective holdings of Redeemable Growth Shares.

Subject as otherwise provided by the Articles of Association, each holder of Redeemable Growth Shares present in person or by proxy shall on a poll have one vote for each Redeemable Growth Share held by him.

Redeemable Growth Shares are capable of being redeemed by the Company on any Redemption Date (being 30 June or 31 December in each financial year), subject always to (a) receipt by the Company of a valid Election to Redeem by no later than the end of the calendar month prior to the relevant Redemption Date, (b) the provisions of the Companies Acts, (c) such redemption being approved by the Board, in its absolute discretion and (d) the Company having sufficient cash. Following redemption of Redeemable Growth Shares, the holders of such redeemed Redeemable Growth Shares shall, subject to the provisions of the Companies Acts, be paid in such number of instalments as the Board shall determine (in its absolute discretion) a sum equal to the Redeemable Growth Share Redemption Value multiplied by the number of Redeemable Growth Shares the subject of the Election to Redeem, less a discount of 1%.

Following the service of a valid Election to Redeem in respect of which the Board shall have approved the redemption, the Redeemable Growth Shares that are the subject of the Election to Redeem shall, with effect from the applicable Redemption Date cease to entitle the holders thereof to receive notice of, and to attend and vote at, any general meeting of the Company or any class meeting.

### **Redeemable Income Shares**

In respect of any period, the aggregate of the revenue profits of the Company (after taking account of a reasonable allocation of costs attributable to the Redeemable Growth Shares which will be allocated directly to such classes of share) multiplied by the most recently calculated Redeemable Income Share Capital Ratio (exclusive of any imputed tax credit available to shareholders) shall belong to the holders of the Redeemable Income Shares (as between them pro rata to their respective holding of Redeemable Income Shares). Any such share of the revenue profits which are not distributed to the holders of the Redeemable Income Shares in any relevant period shall be aggregated to the net asset value of the Redeemable Income Shares for the purposes of calculating the future Redeemable Income Share Capital Ratio.

On a winding up or on a return of capital (otherwise than on a redemption pursuant to Article 10.1.4), the holders of the Redeemable Income Shares shall be entitled to be paid such proportion of the surplus capital and assets of the Company available for distribution as is equivalent to the most recently calculated Redeemable Income Share Capital Ratio, pro rata to their respective holdings of Redeemable Income Shares.



## PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

Subject as otherwise provided by the Articles of Association, each holder of Redeemable Income Shares present in person or by proxy shall on a poll have one vote for each Redeemable Income Share held by him.

Redeemable Income Shares are capable of being redeemed by the Company on any Redemption Date, subject always to (a) receipt by the Company of a valid Election to Redeem by no later than the end of the calendar month prior to the relevant Redemption Date, (b) the provisions of the Companies Acts, (c) such redemption being approved by the Board, in its absolute discretion and (d) the Company having sufficient cash. Following redemption of Redeemable Income Shares, the holders of such redeemed Redeemable Income Shares shall, subject to the provisions of the Companies Acts, be paid in such number of instalments as the Board shall determine (in its absolute discretion) a sum equal to the Redeemable Income Share Redemption Value multiplied by the number of Redeemable Income Shares the subject of the Election to Redeem, less a discount of 1%.

Following the service of a valid Election to Redeem in respect of which the Board shall have approved the redemption, the Redeemable Income Shares that are the subject of the Election to Redeem shall, with effect from the applicable Redemption Date cease to be entitled to any dividend paid or declared in respect of Redeemable Income Shares and shall also cease to entitle the holders thereof to receive notice of, and to attend and vote at, any general meeting of the Company or any class meeting.

### 9) Net asset value per share

At 30 June 2022

|   | Total             | Redeemable<br>Growth<br>Shares | Redeemable<br>Income<br>Shares | Ordinary<br>Shares |
|---|-------------------|--------------------------------|--------------------------------|--------------------|
| Shares in issue at 30 June 2022                 | <u>3,286,825</u>  | <u>3,167,833</u>               | <u>118,990</u>                 | <u>2</u>           |
| Net assets (excluding unallotted share capital) | £3,513,490        | £3,393,039                     | £120,449                       | £2                 |
| <b>Net asset value per share</b>                |                   | <b>107.1p</b>                  | <b>101.2p</b>                  | <b>100.0p</b>      |
| <b>Net assets</b>                               | <b>£3,513,490</b> | <b>£3,393,039</b>              | <b>£120,449</b>                | <b>£2</b>          |

**PROVEN LEGACY LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS**

**At 30 June 2023**

|   | <b>Total</b>            | Redeemable<br>Growth<br>Shares | Redeemable<br>Income<br>Shares | Ordinary<br>Shares |
|---|-------------------------|--------------------------------|--------------------------------|--------------------|
| Shares in issue at 30 June 2023                 | <u><b>3,110,174</b></u> | <u>2,991,182</u>               | <u>118,990</u>                 | <u>2</u>           |
| Net assets (excluding unallotted share capital) | <b>£3,379,595</b>       | £3,257,107                     | £122,486                       | £2                 |
| <b>Net asset value per share</b>                |                         | <b>108.9p</b>                  | <b>102.9p</b>                  | <b>100.0p</b>      |
| <b>Net assets</b>                               | <b>£3,379,595</b>       | <b>£3,257,107</b>              | <b>£122,486</b>                | <b>£2</b>          |

**10) Dividends**

|                                | Year ended 30 June 2023 |                       |                       |            | Year ended 30 June 2022 |                       |              |
|--------------------------------|-------------------------|-----------------------|-----------------------|------------|-------------------------|-----------------------|--------------|
|                                | Pence                   | Income<br>Shares<br>£ | Growth<br>Shares<br>£ | Total<br>£ | Income<br>Shares<br>£   | Growth<br>Shares<br>£ | Total<br>£   |
| <b>Ordinary dividends paid</b> |                         |                       |                       |            |                         |                       |              |
| 2021 Final                     | 3.6p                    | -                     | -                     | -          | 4,284                   | -                     | 4,284        |
|                                |                         | -                     | -                     | -          | <b>4,284</b>            | -                     | <b>4,284</b> |

**11) Controlling Party and related party transactions**

In the opinion of the Directors, there is no immediate or ultimate controlling party. There are no key management personnel other than the Directors.

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

During the year from 1 July 2022 to 30 June 2023, fees payable to Beringea in its capacity as Administration Manager amounted to £17,465 (2022: £17,852). A total of £8,733 (2022: £17,852) remained outstanding at 30 June 2023 in respect of administration fees. These figures exclude VAT payable.

Fees payable to Beringea in its capacity as Lending Adviser amounted to £52,396 (2022: £53,557). A total of £26,198 (2022: £53,557) remained outstanding at 30 June 2023 in respect of advisory fees. These figures exclude VAT payable.

Beringea also received arrangement fees in respect of loans extended by the Company totaling £21,800 (2022: £16,000) and monitoring fees of £9,665 (2022: £14,100). These fees are payable by the borrowers and are not a direct liability of the Company.

## PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

### 12) Principal risks and financial instruments

The Company operates as a lending company and has a portfolio of loans that are treated as financial instruments, measured at amortised cost as per the accounting policies in note 1.

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.

As reported previously, the Company banks with the Royal Bank of Scotland plc, however in the year opened an account with Flagstone Group Ltd who manage a platform that allows companies and individuals to open savings accounts with a range of banks more easily. As at 30 June 2023, the Company's cash was held with the institutions listed below.

| Bank                        | Standard and Poor Rating | Fitch Rating* |
|-----------------------------|--------------------------|---------------|
| HSBC Bank plc               | A1                       | A             |
| Shawbrook Bank Ltd          | Not available            | BBB           |
| Nationwide Building Society | A1                       | A             |
| Santander International     | A2                       | A             |
| Sainsburys Bank plc         | Not available            | BBB           |
| Royal Bank of Scotland plc  | A1                       | A             |

\*Taken from the Flagstone platform

All of the Company's cash is held with institutions with good scores, as outlined above. Furthermore, the Company's cash is now spread across multiple banks which reduces counterparty risk. The Directors therefore consider the risk profile associated with cash to be low.

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

## PROVEN LEGACY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

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

|                           |                  |
|---------------------------|------------------|
|                           | £                |
| Cash and cash equivalents | 648,947          |
| Debtors                   | 11,953           |
| Loans                     | 2,825,883        |
|                           | <b>3,486,783</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 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 30 June 2023, 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 | 2,141,091        | -              | -                |
| Receivable/(due) within 1 year    | 684,792          | 648,947        | (107,188)        |
| Total                             | <b>2,825,883</b> | <b>648,947</b> | <b>(107,188)</b> |

#### 13) Loans

|  |                  |
|--|------------------|
| <b>Opening balance at 1 July 2022</b>  | <b>3,302,771</b> |
| Advances in the period                 | 2,480,000        |
| Repayments                             | (2,956,888)      |
| <b>Closing balance at 30 June 2023</b> | <b>2,825,883</b> |

#### 14) Going concern

The Company's business activities, together with the factors likely to affect its future development, performance and position, are set out in the Chair's Statement on page 3, the Strategic Report on pages 5 to 7, and the Directors' Report on pages 8 to 9. The financial position of the Company, its cash flows, liquidity position and borrowing facilities are shown in the Statement of Financial Position on page 15, the Statement of Cash Flows on page 17 and the Strategic Report on pages 5 to 7. In addition, note 12 to the financial statements includes the Company's objectives, policies and processes for managing its capital, its financial risk management objectives, details of its financial instruments, and its exposures to credit risk and liquidity risk.

The Company has considerable financial resources both at the year end and at the date of this report. The Directors therefore have a reasonable expectation that the Company has adequate resources to continue

## **PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS**

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in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statement.

### **15) Post balance sheet events**

Subsequent to the period end in July 2023, 96,240 Redeemable Growth Shares were redeemed at a price of £1.07 per Redeemable Growth Share, with an aggregate consideration of £103,090.

In October 2023, 96,000 Redeemable Growth Shares were redeemed at a price of £1.09 per Redeemable Growth Share, with an aggregate consideration of £103,499.

The Company held a General Meeting on 17 July 2023 to allow for the cancellation of the share premium account and for the amount of the share premium account so cancelled to be credited to the distributable reserve. The resolution was passed in the meeting.

The Company extended a loan of £125,846 to Vision Asset Finance Limited in October 2023.

Other than the matters described above, there were no material events during the period from 1 July 2023 to the date of these financial statements.

## PROVEN LEGACY LIMITED COMPANY INFORMATION

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**Company Number**

10024220

**Directors**

Jamie Perkins (Chair)  
Robin Chamberlayne  
Malcolm Moss  
all of  
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