

PROVEN LEGACY LIMITED

ANNUAL REPORT AND ACCOUNTS

For the year ended 30 June 2024

PROVEN LEGACY LIMITED

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FOR THE YEAR ENDED 30 JUNE 2024

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CHAIR'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2024

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 2024.

Fundraising activities

To date, the Company has raised £4,041,537 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 2024 was £84,700 (2023: £53,258).

Dividends

The Company did not declare or pay a dividend in the year to 30 June 2024 (2023: £nil).

Lending activity

At 30 June 2024, the Company had advanced thirteen loans totalling £10,439,496 (2023: £9,913,650). Of these, a total of £6,558,650 had been fully repaid. Of the remaining balance, total outstanding balances amounted to £2,713,722 (2023: £2,825,883) at 30 June 2024.

During the year, a new loan of £125,846 was extended to Vision Asset Finance to allow them to fund an operating lease to Cornerstone Academy, a multi-school academy responsible for four primary schools in and around Exeter. A further £100,000 was extended to Cogora Group Limited in December 2023 and £300,000 was to Cryotanks Limited in March 2024.

Post balance sheet events

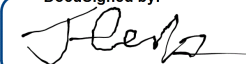
Subsequent to the year-end, 343,267 Redeemable Growth Shares were issued at an average price of £1.11 per share, with an aggregate consideration of £382,220, which excluded share issue costs of £2,006.

Also, 377,559 Redeemable Growth Shares were redeemed at an average price of £1.10 per share, with an aggregate consideration of £416,021.

Other than the matters described above, there were no material events during the period from 1 July 2024 to the date of these financial statements.

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
29 October 2024

BOARD OF DIRECTORS
FOR THE YEAR ENDED 30 JUNE 2024

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 35 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’s UK and 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 2024

The Directors present the Strategic Report for the year ended 30 June 2024. 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 2024

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.

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 2024 are detailed in note 11.

Economic and Geopolitical Factors

The outlook for the UK economy has improved since the last annual report, with falls in inflation and the first reduction in interest rates from the Bank of England in July 2024. However the future remains uncertain, with a number of conflicts across the world and a new government in the UK meaning 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. On a quarterly basis, 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.

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.

During the year, the Net Asset Value ("NAV") per Redeemable Growth Share increased from 108.9p to 112.0p at 30 June 2024.

During the same period, the Net Asset Value ("NAV") per Redeemable Income Share increased from 102.9p to 105.9p at 30 June 2024.

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.

STRATEGIC REPORT

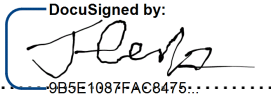
FOR THE YEAR ENDED 30 JUNE 2024

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
29 October 2024

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

The Directors present the Annual Report and Accounts of the Company for the year ended 30 June 2024.

Results and dividends

The results for the year are set out on page 14.

The Company did not pay a dividend in the year to Income Shareholders (2023: £nil).

Directors

The Directors, whose names and biographies are set out on page 4, 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 2024 is set out in note 8 of these accounts on pages 22 to 24.

During the year, 44,384 Redeemable Growth Shares were issued at a price of £1.10 per share, with an aggregate consideration of £49,000, which excluded share issue costs of £1,000.

During the year, 299,287 Redeemable Growth Shares were redeemed at an average price of £1.08 per share, with an aggregate consideration of £322,750.

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.

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2024

In preparing the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- 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

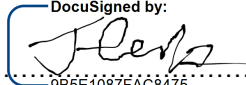
The Directors are responsible for ensuring that the annual report and the financial statements are made available on a website. Financial statements are published on the Company's website, www.provenlegacy.co.uk, in accordance with legislation in the United Kingdom governing the preparation and dissemination 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

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Jamie Perkins
Chair
29 October 2024

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

Opinion

We have audited the financial statements of ProVen Legacy Limited (“the Company”) for the year ended 30 June 2024 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 2024 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 2024

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

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an 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;

INDEPENDENT AUDITOR'S REPORT

FOR THE YEAR ENDED 30 JUNE 2024

- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- reading minutes of meetings of those charged with governance;
- reviewing revenue recognition on a sample basis;
- reviewing revenue and 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.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

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. 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.

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: 29 October 2024

PROVEN LEGACY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	Year ended 30 June 2024 £	Year ended 30 June 2023 £
Loan interest income	2	226,497	212,964
Other income	2	2,504	7,000
Operating income		229,001	219,964
Administrative expenses		(138,743)	(156,040)
Operating profit		90,258	63,924
Interest income		20,223	3,788
Bank charges		(345)	(629)
Profit on ordinary activities before taxation		110,136	67,083
Taxation	4	(25,436)	(13,824)
Profit on ordinary activities after taxation		84,700	53,259

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.

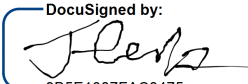
The notes set out on pages 18 to 28 form part of these financial statements.

PROVEN LEGACY LIMITED

STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2024

	Note	As at 30 June 2024 £	As restated at 30 June 2023 £
Fixed Assets			
Loans	12	2,713,722	2,825,883
Current assets			
Debtors	5	17,891	11,953
Cash at bank and in hand		416,471	648,947
Current asset investments		131,675	-
Creditors – amounts falling due within one year	6	(89,214)	(107,188)
Net current assets		476,823	553,712
Total assets less current liabilities		3,190,545	3,379,595
Capital and reserves			
Called up share capital	8	28,554	31,102
Capital redemption reserve		10,078	7,086
Share premium		48,556	3,223,528
Revenue reserve		3,103,357	117,879
Total equity shareholders' funds		3,190,545	3,379,595
Net Asset Value per Redeemable Growth Share	9	112.0p	108.9p
Net Asset Value per Redeemable Income Share	9	105.9p	102.9p

The notes set out on pages 18 to 28 form part of these financial statements.

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Jamie Perkins
 Chair
 ProVen Legacy Limited
 Company number: 10024220
 29 October 2024

PROVEN LEGACY LIMITED

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2024

For the year ended 30 June 2024	Note	Called up share capital £	Capital redemption reserve £	Share premium £	Revenue reserve £	Total £
At 1 July 2023 (as restated)		31,102	7,086	3,223,528	117,879	3,379,595
Issue of new shares in the period	8	444	-	49,556	-	50,000
Share issue costs		-	-	(1,000)	-	(1,000)
Redemption of shares	8	(2,992)	2,992	-	(322,750)	(322,750)
Share premium cancellation		-	-	(3,223,528)	3,223,528	-
Total comprehensive income		-	-	-	84,700	84,700
At 30 June 2024		28,554	10,078	48,556	3,103,357	3,190,545
For the year ended 30 June 2023		Called up share capital £	Capital redemption reserve £	Share premium £	Revenue reserve £	Total £
At 1 July 2022		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)
Creation of Capital redemption reserve (as restated)		-	3,665	-	(3,665)	-
Redemption of shares (as restated)	8	(3,421)	3,421	-	(365,618)	(365,618)
Total comprehensive income		-	-	-	53,259	53,259
At 30 June 2023 (as restated)		31,102	7,086	3,223,528	117,879	3,379,595

The notes set out on pages 18 to 28 form part of these financial statements.

PROVEN LEGACY LIMITED

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	Year ended 30 June 2024	Year ended 30 June 2023
	£	£
Profit on ordinary activities before taxation	110,136	67,083
Loans advanced	(530,548)	(2,479,451)
Capital loan repayments received	630,875	2,956,888
(Increase)/decrease in debtors	(5,939)	34,024
Decrease in creditors	(18,525)	(15,734)
Tax paid	(13,050)	(15,989)
Net cash inflow/(outflow) from operating activities	172,949	546,821
Cash flows from investing activities	-	-
Cash flows from financing activities		
Proceeds from share issue – allotted	50,000	181,178
Share issue costs	(322,750)	(2,713)
Shares redeemed	(1,000)	(365,618)
Net cash outflow from financing activities	(273,750)	(187,153)
(Decrease)/increase in cash and cash equivalents	(100,801)	359,668
Cash and cash equivalents at beginning of year	648,947	289,279
Net cash (outflow)/inflow for the period	(100,801)	359,668
Cash and cash equivalents at end of year	548,146	648,947
Cash and cash equivalents comprise:		
Cash equivalents	131,675	-
Cash at bank and in hand	416,471	648,947

The notes set out on pages 18 to 28 form part of these financial statements.

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

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.

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

Cash at bank and in hand and Current asset investments

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

Current asset investments comprise funds held in a liquidity fund. These are considered to be cash equivalents as they are readily convertible into known amounts of cash at their carrying value at immediate notice.

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.

Capital redemption reserve – the nominal value of shares redeemed and cancelled.

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.

Revenue reserve - the cumulative net return or loss of the Company. Dividends may be paid from this reserve. During the year ended 30 June 2024, 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.

PROVEN LEGACY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

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.

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 30 June 2024	Year ended 30 June 2023
	£	£
Loan interest income	226,497	212,964
Other income	2,504	7,000

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 June 2024	Year ended 30 June 2023
	£	£
Directors' remuneration	20,000	20,000
Social security costs on Directors' remuneration	248	262
Auditor's remuneration for statutory audit	18,120	16,500
Auditor's remuneration for tax compliance	1,800	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.

PROVEN LEGACY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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.

The Company has no employees other than the Directors.

4) Tax on ordinary activities

	Year ended 30 June 2024	Year ended 30 June 2023
	£	£
Profit on ordinary activities before taxation	110,136	67,083
Tax charge at the applicable rate of 25.00% (2023: 19.00% for the nine months to 31 March 2023 and 25.00% for the remaining three months to 30 June 2023)	27,534	13,753
<i>Effects of:</i>		
Expenses not deductible for tax purposes	-	754
Marginal relief	(2,098)	(683)
Corporation tax charge	25,436	13,824

5) Debtors

	As at 30 June 2024	As at 30 June 2023
	£	£
Accrued interest	16,589	10,650
Other debtors	1,302	1,303
Total	17,891	11,953

6) Creditors

	As at 30 June 2024	As at 30 June 2023
	£	£
Accruals	63,778	91,363
Taxation payable	25,436	13,825
Social security and taxes payable	-	2,000
Total	89,214	107,188

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

7) Contingencies, Guarantees and Financial Commitments

At 30 June 2024, the Company had no contingent liabilities, guarantees or financial commitments (2023: £nil).

8) Share capital

Issued, allotted, called up and fully paid:	30 June 2024		30 June 2023	
	Number	Amount £	Number	Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	2,736,279	27,362	2,991,182	29,910
Redeemable Income Shares of £0.01 each	118,990	1,190	118,990	1,190
Total		28,554		31,102

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 2023	2,991,182	29,910	118,990	1,190	2	2
Issued in the period	44,384	444	-	-	-	-
Redeemed in the period	(299,287)	(2,992)	-	-	-	-
As at 30 June 2024	2,736,279	27,362	118,990	1,190	2	2

During the year, 44,384 Redeemable Growth Shares were issued at a price of £1.10 per share, with an aggregate consideration of £49,000, which excluded share issue costs of £1,000.

During the year, 299,287 Redeemable Growth Shares were redeemed at an average price of £1.08 per share, with an aggregate consideration of £322,750.

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.

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

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.

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.

PROVEN LEGACY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

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.

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 2023

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

PROVEN LEGACY LIMITED
NOTES TO THE FINANCIAL STATEMENTS

At 30 June 2024

	Total	Redeemable Growth Shares	Redeemable Income Shares	Ordinary Shares
Shares in issue at 30 June 2024	<u>2,855,271</u>	<u>2,736,279</u>	<u>118,990</u>	<u>2</u>
Net assets (excluding unallotted share capital)	£3,190,545	£3,064,526	£126,017	£2
Net asset value per share		112.0p	105.9p	100.0p
Net assets	£3,190,545	£3,064,526	£126,017	£2

10) 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 2023 to 30 June 2024, fees payable to Beringea in its capacity as Administration Manager amounted to £16,220 (2023: £17,465). A total of £8,049 (2023: £8,733) remained outstanding at 30 June 2024 in respect of administration fees. These figures exclude VAT payable.

Fees payable to Beringea in its capacity as Lending Adviser amounted to £48,659 (2023: £52,396). A total of £24,146 (2023: £26,198) remained outstanding at 30 June 2024 in respect of advisory fees. These figures exclude VAT payable.

Beringea also received arrangement fees in respect of loans extended by the Company totaling £3,000 (2023: £21,800) and monitoring fees of £7,500 (2023: £9,665). These fees are payable by the borrowers and are not a direct liability of the Company.

11) 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.

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

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 and the Company continues to use the savings platform managed by Flagstone Group Ltd to earn a yield on its cash. The Company opened an account with a liquidity fund managed by J P Morgan in the year to further diversify its deposited cash. As at 30 June 2024, the Company's cash was held with the institutions below

Bank	Standard and Poor Rating	Fitch Rating*
Hampshire Trust Bank plc	Not available	BBB
HSBC Bank plc	A+	A+
J P Morgan Asset Management Limited	AAA	AAA
Santander International	A-	A+
Royal Bank of Scotland plc	A1	A+

*Taken from the Flagstone platform

All of the Company's cash is held with institutions with good credit ratings, 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.

The Company's exposure to credit risk as at 30 June 2024 is summarised as follows:

	£
Cash at bank and in hand	416,471
Current asset investments	131,675
Debtors	17,891
Loans	2,713,722
	<u>3,279,759</u>

Liquidity risk

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

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

The Company always aims to hold sufficient levels 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 2024, 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	2,120,332	-	-
Receivable/(due) within 1 year	593,390	548,146	(89,214)
Total	2,713,722	548,146	(89,214)

12) Loans

	£
Opening balance at 1 July 2023	2,825,883
Advances in the period	525,846
Repayments	(638,007)
Closing balance at 30 June 2024	2,713,722

13) 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 11 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 in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the annual financial statement.

14) Post balance sheet events

Subsequent to the year-end, 343,267 Redeemable Growth Shares were issued at an average price of £1.11 per share, with an aggregate consideration of £382,220, which excluded share issue costs of £2,006.

PROVEN LEGACY LIMITED NOTES TO THE FINANCIAL STATEMENTS

Also, 377,559 Redeemable Growth Shares were redeemed at an average price of £1.10 per share, with an aggregate consideration of £416,021.

Other than the matters described above, there were no material events during the period from 1 July 2024 to the date of these financial statements.

15) Prior year restatement

A prior year adjustment has been processed to recognise a capital redemption reserve within the financial statements. The impact of this adjustment is as follows:

- an increase in the capital redemption reserve of £7,086 as at 30 June 2023; and
- a decrease in the revenue reserve of £7,086 as at 30 June 2023.

There was no effect on the overall net assets position of the company as a result of this adjustment as at 30 June 2023.

PROVEN LEGACY LIMITED COMPANY INFORMATION

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10024220

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