

**PROVEN LEGACY PLC**

**HALF-YEARLY REPORT**

**For the Six Months Ended 31 December 2020**

**PROVEN LEGACY PLC**  
**INDEX TO THE HALF-YEARLY REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

---

	<u>Page</u>
Chairman's Statement	3
Unaudited Condensed Income Statement	4
Unaudited Condensed Statement of Financial Position	5
Unaudited Condensed Statement of Changes in Equity	6
Unaudited Condensed Statement of Cash Flows	7
Notes to the Half-Yearly Report	8
Company Information	13

## CHAIRMAN'S STATEMENT

---

### Introduction

I have pleasure in presenting the half yearly report for ProVen Legacy plc (the "Company") for the six months ended 31 December 2020.

### Net Asset Value

During the six-month period, the Net Asset Value ("NAV") per Growth Share increased from 102.4p to 103.3p at 31 December 2020.

During the six-month period, the Net Asset Value ("NAV") per Income Share increased from 100.7p to 101.6p at 31 December 2020.

The difference in Net Asset Value between the two share classes is primarily a result of the 1.4p per share total dividends paid to Income Shareholders to date as well as the associated administrative costs.

### Results

The net profit for the six-month period to 31 December 2020 was £31,822.

### Fundraising activities

As stated in the Annual Report and Accounts for the year ended 30 June 2020 the Lending Adviser has been working with a party experienced in the solar sector with a view to expanding the Beringea offering to increase fundraising. I am pleased to report that work is now complete and Beringea have launched an Estate Planning Service with solar experts, Armstrong Capital, which should benefit the Company.

### Lending activity

As of 31 December 2020, the Company had advanced nine loans totalling £5,683,650. Of these, a total of £1,350,000 had been fully repaid. Of the remaining balance, total outstanding balances amounted to £2,907,796 at 31 December 2020.

In the six-month period a new loan of £225,000 was made to Moor Leasing Limited, a company which specialises in delivering B2B solutions designed to help drive sales, increase margin, and improve customer satisfaction. A facility agreement for £1.8 million was also signed in August 2020 with Eden Acquisitions Limited, a merger and acquisitions business operating in the solar sector. Furthermore, as part of a restructure of the Premier Employer Solutions Limited facility in conjunction with one of the company's software partners, Cloud 8 Limited, £250,000 was drawn down by Cloud 8 Limited in September 2020.

### Post balance sheet events

As described above, the Lending Adviser, Beringea, is now working with Armstrong Capital to offer an Estate Planning Service which should raise further funds to enable the continued growth of the business. I will be writing to shareholders shortly with details of the new arrangement.

### Outlook

The Board considers the outlook favourable as the current portfolio continues to perform and the NAV should continue to grow. The new Estate Planning Service launched by Beringea should provide a strong platform for further fundraising and increased economies of scale within the Company.

**Jamie Perkins**

Chairman

17 February 2021

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED INCOME STATEMENT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	Note	Six months ended 31 December 2020 (unaudited) £	Six months ended 31 December 2019 (unaudited) £
Loan interest income		78,616	52,991
Other income		3,678	19,000
Set-up costs	10	-	(12,500)
Administrative expenses		(42,751)	(39,873)
<b>Operating profit</b>		<b>39,543</b>	<b>19,618</b>
Interest income		19	855
Bank charges		(275)	(233)
<b>Profit on ordinary activities before taxation</b>		<b>39,287</b>	<b>20,240</b>
Taxation		(7,465)	(5,911)
<b>Profit on ordinary activities after taxation</b>		<b>31,822</b>	<b>14,329</b>

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

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

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2020**

		As at 31 December 2020 (unaudited)	As at 30 June 2020 (audited)
	Note	£	£
<b>Fixed Assets</b>			
Loans	9	2,907,796	821,663
<b>Current assets</b>			
Debtors		10,940	27,339
Cash at bank and in hand		679,218	2,572,500
Creditors – amounts falling due within one year		(62,324)	(60,195)
<b>Net current assets</b>		627,834	2,539,644
<b>Total assets less current liabilities</b>		3,535,630	3,361,307
<b>Capital and reserves</b>			
Called up share capital	8	34,251	30,666
Share premium		3,417,468	3,053,552
Unallotted share capital		-	225,000
Revenue reserves		83,911	52,089
<b>Total equity shareholders' funds</b>		3,535,630	3,361,307
<b>Net Asset Value per Redeemable Growth Share</b>		<b>103.3p</b>	<b>102.4p</b>
<b>Net Asset Value per Redeemable Income Share</b>		<b>101.6p</b>	<b>100.7p</b>

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

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

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

  

	Called up share capital	Share premium	Unallotted share Capital	Revenue reserve	Total
<b>Six months to 31 December 2019 (unaudited)</b>	£	£	£	£	£
<b>At 1 July 2019</b>	<b>26,466</b>	<b>2,629,428</b>	<b>115,000</b>	<b>37,672</b>	<b>2,808,566</b>
Issue of new shares in the period	3,878	403,122	(115,000)	-	<b>292,000</b>
Share issue costs	-	(12,502)	-	-	<b>(12,502)</b>
Share redemption	-	-	-	(976)	<b>(976)</b>
Total comprehensive profit	-	-	-	14,329	<b>14,329</b>
<b>At 31 December 2019</b>	<b>30,344</b>	<b>3,020,048</b>	<b>-</b>	<b>51,025</b>	<b>3,101,417</b>

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

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2020**

	<b>Six months Ended 31 December 2020 (unaudited)</b>	<b>Six months Ended 31 December 2019 (unaudited)</b>
	£	£
Profit on ordinary activities after taxation	31,822	14,329
Loans advanced	(2,275,000)	(400,000)
Capital repayments received	188,867	287,346
Decrease/(increase) in debtors	16,399	(9,182)
Increase/(decrease) in creditors	2,129	(13,945)
<b>Net cash used in operating activities</b>	<b>(2,035,783)</b>	<b>(121,452)</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	150,001	292,000
Share issue costs	(7,500)	(12,502)
Shares redeemed	-	-
Dividends paid	-	(976)
<b>Net cash from financing</b>	<b>142,501</b>	<b>278,522</b>
<b>(Decrease)/increase in cash and cash equivalents</b>	<b>(1,893,282)</b>	<b>157,070</b>
<b>Cash at beginning of period</b>	<b>2,572,500</b>	<b>1,962,258</b>
Net cash inflow for the period	(1,893,282)	157,070
<b>Cash at end of period</b>	<b>679,218</b>	<b>2,119,328</b>

Included in profit on ordinary activities after taxation for the six-month period was bank interest received of £19 (31 December 2019: £855).

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

# PROVEN LEGACY PLC

## NOTES TO THE HALF-YEARLY REPORT (UNAUDITED)

---

### 1) Accounting policies

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

The following accounting policies have been applied consistently throughout the period. Further details of principal accounting policies were disclosed in the Annual Report and Accounts for the year to 30 June 2020.

#### Income

Interest receivable on loans is recognised on an accruals basis.

#### Expenses

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

#### Loans

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

#### Cash at bank and in hand

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

#### Capital and reserves

Capital and reserves for the Company represent the following:

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

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

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

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

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



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

and medium sized UK private companies.

- 5) The comparative figures are in respect of the year ended 30 June 2020 and the six-month period ended 31 December 2019.
- 6) Basic and diluted NAV per share for the period has been calculated on 3,424,873 shares, being the number of shares in issue at the period end.

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

The Lending Adviser is entitled to receive from the Company an annual advisory fee equal to 1.5% of the Net Asset Value of the Company plus VAT. This was only applicable should the Company achieve its targeted annual return of 3% per share in a financial year. Otherwise, a deferral provision applied whereby, if in any financial year the Company exceeded its targeted minimum total annual return of 3% per share, then the amounts of the Lending Adviser's advisory fee which had been deferred and retained in prior years were to be released and paid to the Lending Adviser to the maximum extent possible. However, the Board has now agreed that with the new fundraising initiative the Lending Adviser will be entitled to receive 1.5% irrespective of the annual return and the Lending Adviser has therefore waived its entitlement to any deferred fee which at 31 December 2020 would have been £113,000 plus VAT.

At 31 December 2020, the Company had no other contingent liabilities, guarantees and financial commitments.

**8) Share capital**

	(unaudited)		(audited)	
	31 December 2020		30 June 2020	
	Number	Amount £	Number	Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	3,205,881	32,059	2,847,415	28,474
Redeemable Income Shares of £0.01 each	218,990	2,190	218,989	2,190
<b>Total</b>		<b>34,251</b>		<b>30,666</b>

Share movement in the period

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

	Redeemable Growth Shares		Redeemable Income Shares		Ordinary Shares	
	Number	Amount £	Number	Amount £	Number	Amount £
As at 1 July 2020	<b>2,847,415</b>	<b>28,474</b>	<b>218,989</b>	<b>2,190</b>	<b>2</b>	<b>2</b>
Issued in the period	358,466	3,585	1	-	-	-
Redeemed in the period	-	-	-	-	-	-
As at 31 December 2020	<b>3,205,881</b>	<b>32,059</b>	<b>218,990</b>	<b>2,190</b>	<b>2</b>	<b>2</b>

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

During the period, 358,466 Redeemable Growth Shares were issued at an average price of 102.5p per Redeemable Growth Share, with an aggregate consideration of £367,500 which excluded share issue costs of £7,500.

During the period, one Redeemable Income Share was issued at an average price of 101p per Redeemable Income Share, with an aggregate consideration of £1.01. There were no issue costs.

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

As stated in the Annual Report and Accounts for the year ended 30 June 2020, the Lending Adviser has been working with a party experienced in the solar sector with a view to expanding the Beringea offering to increase fund raising. That work is now complete and Beringea have launched an Estate Planning Service with solar experts, Armstrong Capital.

**9) Loans**

**Six months to 31 December 2020**

<i>Debt instruments measured at amortised cost</i>	£
Loans at 1 July 2020	821,663
Loans advanced	2,275,000
Capital repayments	(188,867)
<b>Loans at 31 December 2020</b>	<b><u>2,907,796</u></b>

**Year to 30 June 2020**

<i>Debt instruments measured at amortised cost</i>	£
Loans at 1 July 2019	978,904
Loans advanced	400,000
Capital repayments	(557,241)
<b>Loans at 30 June 2020</b>	<b><u>821,663</u></b>

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

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

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

During the period from 1 July 2020 to 31 December 2020, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £14,807. A total of £7,417 remains outstanding at 31 December 2020 in respect of administration fees.

£34,100 initial fees were due to Beringea LLP in its capacity as Lending Adviser following the facilities extended to Eden Acquisitions Limited, Moor Leasing Limited and Cloud 8 Limited. Furthermore,

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

---

Beringea LLP is also due £15,000 monitoring fees in relation to its ongoing management of the Premier Employer Solutions Limited facility.

Beringea LLP also acted as promoter for the offer for subscription dated 17 September 2019. The promoter's fees in the period amount to £7,500 out of which Beringea LLP paid certain costs of the offer as well as initial commissions.

- 11)** The unaudited financial statements set out herein have not been subject to review by the auditor and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. They have therefore not been delivered to the Registrar of Companies. The figures for the period ended 30 June 2020 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.
- 12)** The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 issued by the Financial Reporting Council.

### **13) Principal risks**

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

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

#### *Interest rate risk*

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

#### *Credit risk*

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

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

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

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

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

	£
Cash and cash equivalents	679,218
Loans	2,907,796
	<b>3,587,014</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 31 December 2020, 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	2,322,355	-	(7,465)
Receivable/(due) within 1 year	585,441	679,218	(54,859)
Total	<b>2,907,796</b>	<b>679,218</b>	<b>(62,324)</b>

**14) Going concern**

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

**15) Post balance sheet events**

As described above the Lending Adviser Beringea is now working with Armstrong Capital to offer an Estate Planning Service which should raise further funds to enable the continued growth of the business.

## PROVEN LEGACY PLC COMPANY INFORMATION

---

**Company Number**

10024220

**Directors**

Jamie Perkins (Chairman)  
Robin Chamberlayne  
Malcolm Moss  
all of  
39 Earlham Street  
London WC2H 9LT

**Company Secretary**

Beringea LLP  
39 Earlham Street  
London WC2H 9LT  
Tel: 020 7845 7820

**Registered office and business address**

39 Earlham Street  
London WC2H 9LT  
Tel: 020 7845 7820

**Lending Adviser**

Beringea LLP  
39 Earlham Street  
London WC2H 9LT  
Tel: 020 7845 7820

**Administration Manager**

Beringea LLP  
39 Earlham Street  
London WC2H 9LT  
Tel: 020 7845 7820

**Tax Advisers**

Philip Hare & Associates LLP  
1 Temple Avenue  
Temple  
London  
EC4Y 0HA

**Solicitors to the Company**

Harrison Clark Rickerbys Limited  
Ellenborough House  
Wellington Street  
Cheltenham  
Gloucestershire GL50 1YD

**Registrars**

Link Asset Services  
The Registry  
34 Beckenham Road  
Beckenham  
Kent BR3 4TU

**Auditor to the Company**

BDO LLP  
55 Baker Street  
London  
W1U 7EU

**Banker to the Company**

Royal Bank of Scotland  
London Victoria Branch  
119/121 Victoria Street  
London SW1E 6RA