

proven

PROVEN LEGACY PLC

Prospectus (including application form)



THIS PROSPECTUS IS IMPORTANT AND REQUIRES YOUR IMMEDIATE ATTENTION. When considering what action you should take, you are recommended to seek your own personal financial advice from your stockbroker, solicitor, accountant or other financial adviser authorised pursuant to the Financial Services and Markets Act 2000 ("FSMA") who specialises in advising on the acquisition of shares and other securities.

A copy of this document, which comprises a Prospectus with regard to ProVen Legacy plc (the "Company"), prepared in accordance with the Prospectus Rules made pursuant to section 73A of FSMA, has been approved by the Financial Conduct Authority ("FCA") and filed with the FCA in accordance with Rule 3.2 of the Prospectus Rules. This document will be made available to the public in accordance with the Prospectus Rules by being available at www.provenlegacy.co.uk. New Shares will not be issued pursuant to the Offer more than twelve months after the publication of this Prospectus without a fresh prospectus, prepared in accordance with the Prospectus Rules, having been approved by the FCA and published.

The Company is not authorised or regulated by the FCA, and is not registered with or authorised by any other regulatory authority. None of the New Shares have been admitted to dealings on any regulated market or any other investment exchange and no application for such admission has been made. It is not intended to make any other arrangements for dealings in the New Shares on any such exchange.

Emerging or smaller unlisted companies tend to be companies to which a higher risk can be attached than to larger or more established companies. A prospective subscriber should be aware of the risks of subscribing for shares in an unlisted company (including the potential risk of capital loss and of illiquidity in the New Shares) and should make the decision to subscribe only after careful consideration and consultation with a financial adviser.

Prospective subscribers should read this entire document and in particular the attention of potential subscribers is drawn to the Risk Factors set out on pages 9 to 13 of this document.

ProVen Legacy plc

Incorporated in England and Wales with registered number 10024220 as a public company limited by shares under the Companies Act 2006

Offer for Subscription of Redeemable Growth Shares and Redeemable Income Shares to raise Gross Proceeds of £20,000,000

Promoter

Beringea LLP

Please note that capitalised terms in this notice are defined in the Definitions section of this Document, on page 79

Beringea LLP ("Beringea"), which is authorised and regulated by the FCA, is acting as Promoter in connection with the Offer. Beringea is acting exclusively for the Company and is not advising any other person or treating any other person as a customer or client in relation to the Offer, nor, subject to the responsibilities and liabilities imposed by FSMA or the regulatory regime established thereunder, will it be responsible to any such person for providing the protections afforded to its customers or clients or for providing advice in connection with the Offer.

This document does not constitute an offer of, or the solicitation of an offer to buy or to subscribe for, Redeemable Growth Shares or Redeemable Income Shares to any person in any jurisdiction to whom or in which jurisdiction such offer or solicitation is unlawful. The offer, sale and/or issue of the Redeemable Growth Shares and Redeemable Income Shares has not been, and will not be, registered under the US Securities Act of 1933, as amended (the "US Securities Act") or under any applicable laws or regulations of any state of the United States of America or under any applicable securities laws of Australia, Canada, Japan or South Africa.

The attention of Overseas Persons is drawn to the section entitled "Overseas Persons" on page 68 of this document and to the section entitled "Important Notices" on page 14 of this document.

The total net proceeds of the Offer will depend on the level of subscriptions. If the full Gross Proceeds are received, the total net proceeds are expected to be £18,900,000 assuming total Promoter's Fees of 5.5% of the Gross Proceeds. The Offer will be open for 12 months from 21 August 2018 (or such shorter period if the Offer is fully subscribed in less than 12 months) and is not being underwritten. The procedure for, and the terms and conditions of, Applications under the Offer are set out at the end of this document, together with an Application Form. Application Forms are also available by contacting Beringea on 020 7845 7820. The minimum subscription per subscriber is £10,000. The number of New Shares to be allotted under the Offer will be calculated using the Pricing Formula set out on page 25. Completed Application Forms should be sent by post or delivered by hand (during normal business hours only) to Beringea LLP, 39 Earlham Street, London WC2H 9LT.

Dated 21 August 2018

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Timetable:

Offer Opens 21 August 2018

Expected Closure Date: 1.00 p.m. on 20 August 2019 (or earlier if fully subscribed)

SUMMARY INFORMATION

SUMMARY

Summaries are made up of disclosure requirements known as 'Elements'. These Elements are numbered in Sections A — E (A.1 — E.7) below. This summary contains all the Elements required to be included in a summary for this type of security and issuer. Because some Elements are not required to be addressed, there may be gaps in the numbering sequence of the Elements. Even though an Element may be required to be inserted in the summary because of the type of security and issuer, it is possible that no relevant information can be given regarding the Element. In this case a short description of the Element is included in the summary with the mention of 'not applicable'.

Section A — Introduction and Warnings

A.1	Introduction	This summary should be read as an introduction to the Prospectus. Any decision to subscribe for the securities should be based on consideration of the Prospectus as a whole by the subscriber. Where a claim relating to the information contained in the Prospectus is brought before a court, the claimant subscriber might, under the national legislation of the Member States, have to bear the costs of translating the Prospectus before the legal proceedings are initiated; and civil liability attaches only to those persons who have tabled the summary including any translation thereof, but only if the summary is misleading, inaccurate or inconsistent when read together with the other parts of the Prospectus or if it does not provide, when read together with the other parts of the Prospectus, key information in order to aid subscribers when considering whether to invest in such securities.
A.2	Subsequent resale of securities or final placement of securities through financial intermediaries	Not applicable. The Company has not consented to the use of the Prospectus for subsequent resale of securities or final placement of securities through financial intermediaries.

Section B — Issuer

B.1	Legal and commercial name	ProVen Legacy plc ("Company"). The Company has no other commercial name other than its registered name.
B.2	Domicile/Legal Form/Legislation/Country of Incorporation	The Company was incorporated and registered in England and Wales on 24 February 2016 with registered number 10024220 as a public company limited by shares under the Companies Act 2006 ("Act"). The principal legislation under which the Company operates is the Act and regulations made thereunder. The registered office of the Company is 39 Earlham Street, London WC2H 9LT.
B.3	Key factors relating to current operations and principal activities	<p>The principal strategy of the Company is to identify opportunities to make loans to a variety of small and medium sized UK private companies. 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.</p> <p>As at 30 June 2018, the Company had agreed six loan facilities, to four borrowers, totaling £3,625,000, of which £2,000,000 had been advanced and £1,435,418 was outstanding for repayment. All facilities are in compliance with their terms. Discussions are on-going in relation to further loan facilities with other borrowers.</p>
B.4a	Significant recent trends	Gross lending in the first five months of 2018 has edged up, rising by 1.5% compared to the same period last year according to latest Bank of England data. However, due to a slightly higher rise in repayments, the net flow of bank loans to SMEs weakened to a negative £0.1bn. In addition, there are indications that the supply of credit to smaller businesses has tightened slightly. In Q2, the Bank of England Agents' summary of business conditions stated that small firms reported increasing difficulty accessing traditional bank finance, and the FSB Voice of Small Business Index showed the availability of credit declined for the second quarter in a row to the lowest in more than two years. Data from the Finance and Leasing Association shows new asset finance volumes to smaller businesses were £4.4bn in Q1 2018, which is similar to the same period in 2017.
B.5	Description of Group	Not applicable. The Company is not part of a Group, and has no subsidiaries.

B.6	Interests in shares/voting rights/controllers	As at 20 August 2018 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under the Company's national law.																																				
B.7	Selected historical key financial information	<p>Certain selected historic financial information of the Company, which has been extracted without material adjustment from the audited statutory financial statements, is set out below:</p> <table border="1"> <thead> <tr> <th></th> <th style="text-align: center;"><i>For the year ended 30 June 2018</i></th> <th style="text-align: center;"><i>For the period from 24 February 2016 (date of incorporation) to 30 June 2017</i></th> </tr> </thead> <tbody> <tr> <td>Profit/(loss) on ordinary activities before taxation</td> <td style="text-align: right;">£94,372</td> <td style="text-align: right;">(£91,392)</td> </tr> <tr> <td>Earnings per Ordinary Share</td> <td style="text-align: right;">£nil</td> <td style="text-align: right;">£nil</td> </tr> <tr> <td>Earnings/(loss) per Redeemable Growth Share</td> <td style="text-align: right;">7.4p</td> <td style="text-align: right;">(9.6p)</td> </tr> <tr> <td>Earnings/(loss) per Redeemable Income Share</td> <td style="text-align: right;">7.4p</td> <td style="text-align: right;">(9.6p)</td> </tr> <tr> <td>Dividends per Ordinary Share</td> <td style="text-align: right;">Nil</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Dividends per Redeemable Growth Share</td> <td style="text-align: right;">Nil</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Dividends per Redeemable Income Share</td> <td style="text-align: right;">Nil</td> <td style="text-align: right;">Nil</td> </tr> <tr> <td>Net Assets</td> <td style="text-align: right;">£1,734,648</td> <td style="text-align: right;">£857,860</td> </tr> <tr> <td>Net Asset Value per Ordinary Share</td> <td style="text-align: right;">100.0p</td> <td style="text-align: right;">100.0p</td> </tr> <tr> <td>Net Asset Value per Redeemable Growth Share</td> <td style="text-align: right;">100.2p</td> <td style="text-align: right;">90.4p</td> </tr> <tr> <td>Net Asset Value per Redeemable Income Share</td> <td style="text-align: right;">100.2p</td> <td style="text-align: right;">90.4p</td> </tr> </tbody> </table> <p>In June 2018, the Company committed to lend Cogora Group Limited a further £125,000 and an amount of £125,000 was advanced on 12 July 2018.</p> <p>On 3 August 2018, the Company issued 105,600 Redeemable Growth Shares at an average price of 104.2p per share, with an aggregate nominal value of £1,056. The aggregate consideration for the shares was £110,000, which excluded share issue costs of £4,400.</p> <p>Save in respect of these matters, there have been no significant changes in the financial condition and operating results of the Company during or subsequent to the period covered by the historical information set out above.</p>		<i>For the year ended 30 June 2018</i>	<i>For the period from 24 February 2016 (date of incorporation) to 30 June 2017</i>	Profit/(loss) on ordinary activities before taxation	£94,372	(£91,392)	Earnings per Ordinary Share	£nil	£nil	Earnings/(loss) per Redeemable Growth Share	7.4p	(9.6p)	Earnings/(loss) per Redeemable Income Share	7.4p	(9.6p)	Dividends per Ordinary Share	Nil	Nil	Dividends per Redeemable Growth Share	Nil	Nil	Dividends per Redeemable Income Share	Nil	Nil	Net Assets	£1,734,648	£857,860	Net Asset Value per Ordinary Share	100.0p	100.0p	Net Asset Value per Redeemable Growth Share	100.2p	90.4p	Net Asset Value per Redeemable Income Share	100.2p	90.4p
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B.8	Selected key pro forma financial information	Not applicable. No pro forma financial information is included in the Prospectus.																																				
B.9	Profit forecast/estimate	Not applicable.																																				
B.10	Qualifications on audit report	Not applicable.																																				
B.11	Qualifications on working capital	Not applicable. The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements (that is, for at least the next 12 months from the date of this Prospectus).																																				

Section C — Securities

C.1	Description of securities	Redeemable Ordinary Growth Shares of £0.01 each and Redeemable Ordinary Income Shares of £0.01 each in the capital of the Company.
C.2	Currency of the securities issue	The Offer is in pounds Sterling.

C.3	Number of shares/ whether fully paid/ par value	At the date of this Prospectus, the Company has the following Shares in issue: 2 Ordinary Shares of £1 each, fully paid; and 1,556,830 Redeemable Growth Shares of £0.01, each of which has been issued at a subscription price of £1 per share and each of which is fully paid and 280,000 Redeemable Income Shares of £0.01, each of which has been issued at a subscription price of £1 per share and each of which is fully paid.
C.4	Rights attached to the securities	The Growth Shares and the Income Shares being offered by the Company shall rank pari passu with each other save as regards the following rights as regards the accumulation or distribution of the Company's profits: <ul style="list-style-type: none"> • Income, including capital gains, and expenses of the Company will be allocated pro rata to the number of Growth Shares and Income Shares in issue from time to time, except that a reasonable allocation of costs attributable to the Growth Shares and a reasonable allocation of costs attributable to the Income Shares will be allocated directly to such classes of Share. • Distributions of profits of the Company will not be made to holders of Growth Shares. Instead, profits attributable to Growth Shares will accumulate for the benefit of the holders of the Growth Shares and will be reflected in the NAV per Growth Share from time to time. • Holders of Income Shares will be entitled to profits attributable to Income Shares so far as the same are distributed by the Company from time to time. <p>Each Growth and Income Share carries the right to receive notice of and to attend or vote at any general meeting of the Company save that the holders of Growth Shares shall have no right to vote upon any resolution concerning the payment or declaration of a dividend on Income Shares.</p> <p>Growth and Income Shares may be redeemed at the option of the Shareholder subject to the discretion of the Directors, applicable law and regulation and the availability of sufficient cash reserves.</p>
C.5	Restrictions on free transferability	Except in limited circumstances, there are no restrictions on the free transferability of the Shares in the Company.
C.6	Admission to trading on regulated market	None of the Shares has been admitted to dealings on any regulated market or any other investment exchange and no application for such admission has been or will be made. It is not intended to make any other arrangements for dealings in the Shares on any such exchange.
C.7	Dividend Policy	The Directors intend to maximise distributions to the holders of Income Shares by way of dividends paid out of the share of Company profits attributable to the Income Shares.

Section D — Risks

D.1	Key information on the key risks that are specific to the issuer or its industry	<p>Changes in legislation concerning IHT in general may restrict or adversely affect the ability of the Company to meet its objectives, and may reduce the returns to Investors.</p> <p>There can be no assurances that the Company will meet its objectives. The Company will face competition for opportunities to provide loans and there can be no assurances that sufficient suitable opportunities to provide loans will be identified.</p> <p>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.</p> <p>The Company is seeking up to £20 million (gross) through the Offer. To the extent that a smaller level of funds is raised, the range of borrowers may be less diversified than if the Offer had been fully subscribed and there can be no guarantee that all the Company's objectives will be achieved.</p> <p>Although the Company aims to make loans to small and medium sized companies with strong prospects, some of the companies may subsequently have limited cashflow resources to make repayment of the loans.</p> <p>Whilst the Company has a targeted minimum total annual return of 3% on Growth Shares and Income Shares, there is no guarantee that this will be achieved.</p>
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		<p>Although the Company may take security over 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.</p> <p>The success of the Company is significantly dependent upon the expertise of the Directors and the Lending Adviser and the Lending Adviser's ability to attract and retain suitable staff. The Lending Adviser employs personnel with experience in lending to these types of borrowers and managing loans but it is possible that some or all of the team may change role or leave the Lending Adviser during the life of the loans, which may have an impact on the Company's performance.</p> <p>The anticipated returns and recoverability of loans made by the Company to its customers (which may have limited trading records) will depend upon adequate and successful due diligence and the Company's expectations of risk attached to particular loans may prove to be incorrect.</p> <p>The Company may be a lessor under finance or operating leases. A lease enables the lessee to use an asset for a specific period but the ownership of the asset remains the property of the lessor (i.e. the Company). The lessor cannot necessarily guarantee the location of the leased assets at all times, nor that any asset will be of merchantable quality upon the expiration or termination of the lease. General circumstances and circumstances specific to the counterparty can adversely affect the counterparty's ability to meet its contractual obligations as lessee, and the creditworthiness of any counterparty cannot be guaranteed.</p> <p>Regulatory or legal initiatives from time to time affecting the Company may affect or disrupt the industry in which the Company operates, and there can be no certainty that future regulatory or legislative action will not result in additional compliance or other costs for the Company in order to carry out successfully its business and to realise its business strategy and/or its targeted minimum total annual return of 3% per Growth and Income Share.</p> <p>The Company may advance loans to customers associated with the Lending Adviser or funds managed by the Lending Adviser or in respect of which the Lending Adviser has been involved in the provisions of services for which it may receive commissions, benefits, charges or advantage from so acting. The Independent Directors will endeavour to ensure that any conflicts of interests are resolved fairly and in accordance with the conflicts policy from time to time relating to the Company and the Lending Adviser.</p>
D.3	Key information on the key risks that are specific to the securities	<p>It is the intention of the Directors that the Company operates so that its business qualifies under the BPR rules, but there can be no guarantee that such status will be obtained or maintained. If the Company fails to meet the qualifying requirements for BPR, this could result in adverse tax consequences for Investors.</p> <p>The Inheritance Tax Act 1984 (as subsequently amended) sets out the basis on which Business Property Relief is available in respect of Inheritance Tax and the requirements for Investors to be able to claim this relief. Levels and bases of, and relief from, taxation are subject to change. Such changes could be retrospective. The tax reliefs described are based on current legislation, practice and interpretation. The ability of Investors to secure the tax reliefs available to Investors depends on their individual circumstances. It is possible for Shareholders to lose their tax reliefs by themselves taking or not taking certain steps, and Shareholders are advised to take their own independent financial advice on the tax aspects of their subscription.</p> <p>Changes in legislation concerning IHT in general may restrict or adversely affect the ability of the Company to meet its objectives, and may reduce the returns to Investors.</p> <p>The Net Asset Value per Income Share and/or the Net Asset Value per Growth Share may be based on estimates which may be inaccurate and which may not reflect the fair value of the Company's assets.</p> <p>The total dividends paid on Income Shares during a financial period may exceed the increase, if any, in the NAV per Income Share. If this is the case, the NAV per Income Share of the Company may fall over the period. The Company's ability to pay dividends on the Income Shares may be adversely affected by a lack of distributable reserves, insufficient cash and/or legislative requirements.</p> <p>Shareholders have no right to have their Growth or Income Shares redeemed by the Company. Redemption is subject to the discretion of the Directors, applicable law and regulation and the availability of sufficient cash reserves. Redeeming Shareholders will become unsecured creditors of the Company and payment of the proceeds of redemption will not be immediate.</p>

Section E — Offer

E.1	Total net proceeds/ estimate of the total expenses of the Offer/estimated expenses charged to the subscriber	<p>The total net proceeds of the Offer will depend on the level of subscriptions. If the full Gross Proceeds are received, the total net proceeds, are expected to be £18,900,000, assuming total Promoter's Fees of 5.5% of the Gross Proceeds. The Promoter may agree to reduce the amount of the Promoter's Fee in respect of any specific Investor or group of Investors. The actual net proceeds may be higher than £18,900,000 if the Promoter agrees to reduce the Promoter's Fee or they may be lower than this amount.</p> <p>The total expenses of the Offer payable by the Company comprise the Promoter Fees of between up to 4% and a maximum of 5.5% of the Gross Proceeds.</p> <p>No expenses will be directly charged to an Investor unless the Investor has directed the Company to pay the Adviser Charge on behalf of the Investor.</p> <p>Investors will indirectly bear the costs of the Offer payable by the Company through the application of the Pricing Formula, which determines the number of New Shares to be allotted and includes an allowance for a Promoter's Fee of up to either 4% or 5.5%.</p>
E.2a	Reasons for the Offer, use of proceeds, estimated net amount of the proceeds	<p>The Company will use the proceeds of the Offer to grow its business, in particular to make further loans to small and medium sized businesses.</p> <p>The net amount of the proceeds of the Offer will depend on the level of subscriptions, but if the full Gross Proceeds are received the total net proceeds are expected to be £18,900,000, assuming total Promoter's Fees of 5.5% of the Gross Proceeds. The Company may, from time to time, use proceeds of the Offer to fund redemptions of Shares.</p>
E.3	Terms and conditions of the Offer	<p>The number of New Shares to be allotted to each Investor under the Offer will be calculated using the following Pricing Formula:</p> <p>Number of New Shares = (Amount subscribed, less: (i) Promoter's Fee and (ii) Adviser Charge (if any))/latest NAV*) rounded down to the nearest whole number of New Shares</p> <p>*The NAV used will be:</p> <p>For a Growth Share, the Net Asset Value per Growth Share calculated in pence and rounded up to two decimal places, but not less than £1.00 per Growth Share.</p> <p>For an Income Share, the Net Asset Value per Income Share calculated in pence and rounded up to two decimal places, but not less than £1.00 per Income Share, less any dividend payable for which the record date is before the allotment date.</p> <p>The Offer is not underwritten.</p> <p>The minimum subscription per subscriber is £10,000.</p>
E.4	Material/Conflicting Interests	<p>Beringea will receive a Promoter's Fee of a maximum of 4% of the gross amount invested for Applications received through Financial Advisers and a maximum of 5.5% of the gross amount invested for Applications received through Execution Only Brokers.</p> <p>The Promoter may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investor or group of Investors.</p>
E.5	Name of the person or entity offering to sell the security	Not applicable. There are no selling Shareholders.
	Lock-up agreements: the parties involved; and indication of the period of the lock up	Not applicable. There are no lock-up agreements.

E.6	Dilution	Shares allotted pursuant to the Offer will dilute the percentage share holdings of existing shareholders. The extent of that dilution will depend upon the number of New Shares allotted pursuant to the Offer.
E.7	Estimated expenses charged to the subscriber	<p>Not applicable, save so far as a subscriber has directed the Company to pay the Adviser Charge on behalf of the subscriber.</p> <p>Investors will indirectly bear the costs of the Offer through the application of the Pricing Formula, which determines the number of New Shares to be allotted and includes an allowance for a Promoter's Fee of up to either 4% or 5.5% by netting this amount off from the amount subscribed by Investors.</p>

RISK FACTORS

Potential Shareholders should carefully consider all the information in this document, including the risks described below, before deciding to subscribe for New Shares in the Company. The Directors have identified these risks as the material risks relating to the Company and to a subscription for New Shares of which they are aware as at the date of this document. Additional risks and uncertainties not presently known to the Directors, or that the Directors consider immaterial, may also adversely affect the Company's business, results of operations or financial condition. If any, or a combination, of the following risks or any other risks materialise, the Company's business, financial condition, operational performance and valuation could be materially adversely affected and the level of dividends (if any) received from the Income Shares or value accumulation attributable to the Growth Shares could decline. In that case, the Shareholders could lose some or all of their investment in the Company.

Risks relating to the Company

The Company's operating history

The Company was incorporated on 24 February 2016 and commenced trading on 31 January 2017. The Company has made six loans to date. Subscription for New Shares in the Company is therefore subject to all the risks and uncertainties associated with a new business, including the risk that the Company may not achieve its objectives and that the value of New Shares in the Company could decline substantially as a consequence. The past performance of other businesses associated with the Directors or the Lending Adviser cannot be relied upon as an indicator of the future performance of the Company.

The Company may experience fluctuations in its operating results

The Company may experience fluctuations in its operating results from period to period due to a number of factors, including changes in the values of assets held by the Company, changes in the amount of interest paid in respect of its assets, changes in the Company's operating expenses, variations in and the timing of the recognition of realised and unrealised gains or losses, the degree to which the Company encounters competition and general economic and market conditions. Such variability may cause the Company's results for a particular period not to be indicative of its performance in a future period.

No assurance that targeted minimum total annual return will be achieved

The Company's targeted minimum total annual return of 3% per New Share as set out in this document is a target only. There can be no assurance that the Company will meet this targeted minimum total annual return, or any other level of return. The existence of the targeted minimum total annual return should not be considered as an assurance or guarantee that this can or will be met by the Company, and the actual return may vary from the targeted minimum total annual return and this variation may be material. Potential Investors should decide for themselves whether or not the targeted minimum

total annual return of 3% per New Share is reasonable or achievable in deciding whether to subscribe for New Shares.

Payment of dividends may erode the capital value of the Company

In the early years of the Company, when the Company has not fully deployed its funds, paying a dividend equivalent to the targeted minimum total annual return of 3% on the Income Shares may exceed the net profits attributable to the Income Shares. Moreover, the profits earned when monies are fully deployed may not meet the Company's current expectations. As a result, paying out a dividend on Income Shares equivalent to the targeted minimum total annual return may erode the capital value of the Company. The ability to pay dividends may also be constrained by, amongst other things, the distributable reserves of the Company and the available cash reserves.

Risks relating to the nature and characteristics of the Company's business

The Company may not achieve its objectives

There can be no assurances that the Company will meet its objectives. The Company will face competition for opportunities to provide loans and there can be no assurances that sufficient suitable opportunities to provide loans will be identified.

Risk of limited growth and diversification

The Company is seeking up to £20 million (gross) through the Offer. To the extent that a smaller level of funds is raised, the growth and development of the Company may be more moderate and the Company's portfolio may be less diversified than if the Offer had been fully subscribed and there can be no guarantee that all the Company's objectives will be achieved or that suitable opportunities will be identified in order to enter into a diversified range of trading transactions. The Company has, as at the date of this Prospectus, raised £1,883,000 from the 2016 Offer and the 2017 Offer.

Due diligence process may not reveal all facts

When conducting due diligence and making an assessment regarding a loan, the Board and the Lending Adviser will be required to rely on resources available to them, including internal sources of information as well as information provided by existing and potential borrowers, any equity sponsor(s), lenders and other independent sources.

It may be difficult to obtain reliable financial information about small companies compared with larger blue chip companies and it may not be possible to understand fully the risks to which they are exposed. Standards of corporate governance in private companies are generally lower than in quoted companies.

The Board and the Lending Adviser are dependent upon the integrity of the management of the entities providing such information and of any third parties engaged as well as the financial reporting process in general. In the event of corporate mismanagement, fraud and accounting irregularities on the part of the borrowers and third parties, information and data, which the Lending Adviser relies upon for the purposes of its trading strategy analysis and which the Board relies on in deciding to enter into a transaction, may be materially inaccurate which may result in material losses which will ultimately be borne by Shareholders.

The anticipated returns and recoverability of loans made by the Company to its borrowers (which may have limited trading records) will depend upon adequate and successful due diligence and the Company's expectations of risk attached to particular loans may prove to be incorrect. Any failure by the Lending Adviser to identify relevant facts through the due diligence process may cause the Board to make inappropriate decisions, which may have a material adverse effect on the Company's business, financial condition, and results of operations.

The value of loans may be adversely influenced by a number of factors and early repayment or default by a borrower may affect the value of the relevant loan

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 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.

Given that some loans may be repaid early, the actual maturity of loans may be shorter than their stated final maturity calculated solely on the basis of the stated life and repayment schedule. Generally voluntary prepayments are permitted and the timing of prepayments cannot be predicted with any accuracy. The degree to which borrowers prepay loans, whether as a contractual requirement or at their election, may be affected by general business conditions, market interest rates, the borrower's financial condition and competitive conditions among lenders.

Loans are also subject to interest rate risk and relending risk. Prepayments of loans made by the Company may be made during a period of declining interest rates. Such prepayments may result in the Company replacing such loans with lower-yielding loans, leading to lower returns.

Risks of loan non-performance

There is a variety of factors which could adversely affect the ability of counterparties to fulfil their payment obligations or which may cause other events of default. These include changes in financial and other market conditions, trading performance, interest rates, government regulations or other policies, the worldwide economic environment, changes in law and taxation, natural disasters, terrorism, social unrest and civil disturbances.

Loans made by the Company may, after funding, become non-performing for a wide variety of reasons, including non-payment of principal or interest, as well as covenant violations by the borrower. Such non-performing loans may require a substantial amount of workout negotiations and/or restructuring, which may entail, among other things, substantial irrecoverable costs, a substantial reduction in the interest rate, a substantial write-down of the principal of such loan and/or a substantial change in the terms, conditions and covenants with respect to such defaulted loan. However, even if a restructuring were successfully accomplished, there is risk that, upon maturity of such loan, replacement "take-out" financing will not be available.

It is possible that the Company may find it necessary or desirable to foreclose on collateral securing one or more loans made by it. The foreclosure process can be lengthy and expensive, which could have a material negative effect on the anticipated return on the foreclosed loan. By way of example, it would not be unusual for any costs of enforcement to be paid out in full before the repayment of interest and principal. This could substantially reduce the anticipated return on the foreclosed loan.

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 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 value of New Shares.

In the event of a default under a loan, the value of the loan may exceed the value of recovery possible under the collateral or security arrangements that support the loan

If a default were to occur in relation to a loan which the Company has made, and the Company exercises its rights to enforce the collateral or security arrangements that support the loan, the value of recoveries under those arrangements may be smaller than the principal and interest due on the loan (whether due to an adjustment in the valuation due to external factors such as changes in the market for the assets to which the security or collateral relates, general economic conditions or otherwise).

The collateral and security arrangements under a loan made by the Company may not have been properly created or perfected, or may be subject to other legal or regulatory restrictions

Whilst the Company is expected to make secured loans, the collateral and security arrangements in relation to such loans will be subject to such security or collateral having been correctly created and perfected and any applicable legal or regulatory requirements which may restrict the giving of collateral or security by a borrower under a loan. If the loans which the Company makes do not benefit from the expected collateral or security arrangements this may affect their value.

Risks relating to leases

The Company may be a lessor under finance or operating leases. A lease enables the lessee to use an asset for a specific period but the ownership of the asset remains the property of the lessor (i.e. the Company). The lessor cannot necessarily guarantee the location of the leased assets at all times, nor that it will be granted access to the leased asset upon its request, nor that any asset will be of merchantable quality upon the expiration or termination of the lease. General circumstances and circumstances specific to the counterparty can adversely affect the counterparty's ability to meet its contractual obligations as lessee, and the creditworthiness of any counterparty cannot be guaranteed.

Risks associated with the Board and the Lending Adviser

The Company is reliant on the expertise of the Directors and the performance of third party service providers

The success of the Company is significantly dependent upon the expertise of the Directors and the Lending Adviser and the Lending Adviser's ability to attract and retain suitable staff. The Lending Adviser employs personnel with experience in lending and monitoring the loans but it is possible that some or all of the team may change role or leave the Lending Adviser during the life of the loans advanced by the Company, which may have an impact on the Company's performance. The Company is reliant upon the performance of third party service

providers for certain functions. In particular, in its role as both Lending Adviser and Administrator, Beringea will be performing services which are integral to the operation of the Company, such as introducing business opportunities and the keeping of records and accounts. Failure by any service provider to carry out its obligations to the Company in accordance with the terms of its appointment could have a materially detrimental impact on the operations of the Company.

Lending Adviser conflicts of interest

The Company may advance loans to customers associated with the Lending Adviser or funds managed by the Lending Adviser or in respect of which the Lending Adviser has been involved in the provision of services for which it may receive commissions, benefits, charges or advantage from so acting. For example, the Lending Adviser could, in its capacity as the manager of funds under its management, control equity interests in a company to which the Company has advanced loans. Therefore, if the relevant company were experiencing financial distress, a material conflict could arise between the Lending Adviser's control of the equity position held by a fund under its management in the relevant company and its role as the adviser to the Company in the Company's capacity as a creditor of the relevant company. The Independent Directors will endeavour to ensure that any conflicts of interests are resolved fairly and in accordance with the conflicts policy from time to time relating to the Company and the Lending Adviser.

Risks relating to a holding of New Shares

There is no guarantee that Redemption Requests by Shareholders will be accepted

Shareholders have no right to have their New Shares redeemed. Redemption is subject to the discretion of the Directors, applicable law and regulation and the availability of sufficient cash reserves. The Company cannot guarantee that Shareholders will be able to redeem all or any part of their Shareholding.

The Directors will not be in a position at the time of receiving a Redemption Request Application Form to know if, on the day in question, there will be sufficient money or reserves within the Company to finance or enable the redemption (in part or in full). The Company's capacity to realise cash from assets held by it or its subsidiaries, if any, may represent a further constraint on the Company's ability to redeem New Shares. The value of New Shares requested to be redeemed in a Redemption Request Application Form will be calculated by reference to the Net Asset Value per Growth Share or Net Asset Value per Income Share of the Company at either 30 June or 31 December or such other date as the Board may determine for a redemption (as applicable) and may be less than the Net Asset Value per Growth Share or Net Asset Value per Income Share at the time the Redemption Request is received.

Illiquidity

The New Shares are unquoted and there are no current plans to apply for a quotation or listing of the New Shares. Accordingly, the New Shares are illiquid. The New Shares are freely transferable in accordance with the Articles of Association of the Company, subject to customary limited restrictions referred to in paragraph 4.1.7 of Part 6 of this document. However, no arrangements have been made by the Company to facilitate any transactions in New Shares. The value of New Shares can fluctuate and Shareholders may not get back the full amount they subscribe and in certain circumstances may lose the whole of their subscription value. There is no certainty that Shareholders will be able to sell their New Shares or that any dividends will be paid on Income Shares. Although the Company will focus on capital preservation, Shareholders' capital may be at risk and a subscription for New Shares in the Company should be viewed as high risk and longer-term.

Net Asset Value

The Net Asset Value per Income Share and/or the Net Asset Value per Growth Share may be based on estimates which may be inaccurate and which may not reflect the fair value of the Company's assets.

Dividends

The total dividends paid on Income Shares during a financial period may exceed the increase, if any, in the NAV per Income Share. If this is the case, the NAV per Income Share of the Company may fall over the period. The Company's ability to pay dividends on the Income Shares may be adversely affected by a lack of distributable reserves, insufficient cash and/or legislative requirements.

Risks relating to taxation and regulation

Investors should note that New Shares in the Company need to be held for at least two years in order to be eligible for IHT BPR. Further details are given in Part 5 (Taxation).

Business Property Relief may not be available

Whilst it is the intention of the Directors that the Company will operate so as to offer Shareholders relief from Inheritance Tax, there can be no guarantee that such relief will be available. The Directors intend to operate the Company with a view to ensuring that a subscription for New Shares in the Company will offer Shareholders Business Property Relief from Inheritance Tax, 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 tax information given in this document (including levels and bases of, and relief from, tax) is based on legislation, case law, HMRC practice

and administrative and judicial interpretation current at the date of this document, and is subject to change. Such change could be retrospective. The value of tax reliefs, as well as levels and bases of tax, depend on the personal circumstances of holders of New Shares, who should consult their own tax advisers before making any subscription.

It is possible for Shareholders to lose their tax reliefs by taking or not taking certain steps and Shareholders are advised to take their own independent financial advice on the tax aspects of their subscription.

Adverse changes in the tax position of the Company

The Company's trading strategy takes account of the Directors' understanding of the current tax law and the practice of the tax authorities of the UK. Such law (including applicable rates of taxation) or tax authority practice is subject to change, possibly with retrospective effect. Any change in the Company's tax position or status or in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates could adversely affect the value of assets held by the Company or affect the Company's ability to achieve its objectives and/or deliver returns to Shareholders. Any such change could adversely affect the net amount of any distributions payable to Shareholders or the tax treatment of distributions received by Shareholders. Furthermore, the Company may incur costs in taking steps to mitigate this effect. As a result, any such change may have a material adverse effect on the Company's performance, financial condition or prospects.

Changes in tax legislation could result in the imposition of additional and material tax liabilities on Shareholders

References in this document (in particular in Part 5 (Taxation) of this document) to tax law and tax authority practice and the rates of tax reflect the position as at the date of this document. Such law (including applicable rates of taxation) and tax authority practice are subject to change possibly with retrospective effect. Any change in tax legislation or proposed legislation, or in the interpretation of tax legislation or proposed legislation by tax authorities or courts, or tax rates in the United Kingdom or any jurisdiction in which borrowers are held to be resident, or in the Company's tax treatment (for example, due to the disposal of equity accepted in settlement for debt) may affect the value of the assets held by the Company or the Company's ability successfully to pursue and achieve its trading strategy, and/or adversely affect the after tax returns to Shareholders. There can be no guarantee that the rates or bases of taxation described in Part 5 (Taxation) of this document will necessarily be those which apply to Shareholders so far as their return from the Company is concerned over the life of their holding New Shares.

Greater regulation of the financial services industry may impose additional restrictions on the Company

Regulatory changes may result in greater regulation of, or may otherwise affect, the industry in which the Company operates. There

can be no assurance that future regulatory action will not result in market dislocation. It is difficult to predict the nature, timing and scope of future changes in laws and regulations applicable to the Company and the markets in which it trades or the counterparties with which it does business. Any such changes in laws and regulations may create significant additional compliance costs for the Company and may have a material effect on the ability of the Company successfully to carry out its business and to achieve its targeted minimum total annual return of 3% per New Share.

Brexit risk

On 24 June 2016 it was announced that the UK electorate had voted to leave the European Union ("EU"). At the date of this Prospectus, negotiations are ongoing over the manner and form of the UK's withdrawal from the EU. There are significant uncertainties in relation to the terms and time frame of a withdrawal from the EU, and significant uncertainties as to what the impact will be on the fiscal, monetary, legal and regulatory landscape in the UK. The impact on the Company, if any, will depend on the outcome of these negotiations which may affect market confidence and reduce the opportunities to provide loans to small and medium sized businesses.

The foregoing risks are not exhaustive and do not purport to be a complete explanation of all the risks and significant considerations involved in investing in the Company. Additional risks and uncertainties not presently known to the Directors, or that the Directors currently deem immaterial, may also have an adverse effect on the Company's business, operation, results and financial condition.



IMPORTANT NOTICES

Please note that this notice uses capitalised terms that are defined in the Definitions section of this document, on page 79 of this document.

THIS DOCUMENT IS IMPORTANT. IF YOU ARE IN ANY DOUBT ABOUT THE CONTENTS OF THIS DOCUMENT THEN YOU SHOULD CONSULT YOUR FINANCIAL ADVISER AUTHORISED TO PROVIDE FINANCIAL ADVICE ON THE ACQUISITION OF SHARES UNDER THE FINANCIAL SERVICES AND MARKETS ACT 2000.

Before making any decision with respect to the New Shares, prospective subscribers should carefully consider all of the information set out in this document as well as their personal circumstances. Prospective subscribers should have regard to, among other matters, the statements and considerations described under the heading "Risk Factors".

A subscription for the New Shares will involve significant risks due to the inherent illiquidity of the underlying assets and should be viewed as long-term. Prospective subscribers should carefully consider in the light of their financial resources whether subscribing for New Shares in the Company is suitable for them. The offer of subscriptions for New Shares has been designed for professional or experienced persons and professionally advised private investors who are capable of evaluating the merits and risks of such a subscription and who have sufficient resources to be able to bear any losses which may arise (which may be equal to the whole amount invested).

No broker, dealer or other person, other than the Promoter, has been authorised by the Company to issue any advertisement or to give any information or to make any representations in connection with the offering or sale of New Shares. Any subscription for New Shares is to be made only on the basis of the information and representations contained in this document and not on the basis of any other information and/or representations contained in any advertisement or other marketing materials, which must not be relied upon.

Prospective subscribers should not treat the contents of this document as advice relating to legal, taxation or investment matters. Prospective subscribers must rely upon their own representatives, including their own legal advisers and accountants, as to legal, tax, investment or any other related matters concerning the Company and a subscription of New Shares therein.

Statements made in this document are based on the law and practice currently in force in England and Wales as at the date of this document and are subject to changes therein.

Forward-looking Statements

Certain statements in this document are, or may be deemed to be, forward-looking statements. These include statements relating to the targeted minimum total annual return of 3% per New Share referred to in this document. In some cases these statements can be identified by the use of forward-looking terminology, such as "anticipates", "forecasts", "plans", "prepares", "believes", "could", "estimate", "expects", "targets", "intends", "may" or "will" or the negative of those terms or comparable terms. Forward-looking statements are based on the Company's present beliefs, expectations, intentions and projections regarding its future performance, anticipated events or trends and other matters that are not historical facts. These statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those expressed or implied by such forward looking statements.

Prospective subscribers should read the sections entitled "Risk Factors" for a discussion of additional factors that could cause actual results to differ materially from those expressed or implied by forward or future-looking statements.

Given these risks and uncertainties, prospective investors should not place any reliance on forward-looking statements. Forward-looking statements speak only as at the date of this document. Except as required by applicable law (including the Prospectus Rules), the Company does not undertake, and expressly disclaims, any obligation to update or revise publicly any forward looking statements in this document, whether as a result of new information, future events or otherwise.

Overseas Persons

The distribution of this document in certain jurisdictions may be restricted by law and therefore persons into whose possession this document comes should inform themselves about and observe any such restrictions. Any failure to comply with those restrictions may constitute a violation of the securities laws of any such jurisdiction. This document does not constitute an offer to subscribe for or buy any of the New Shares to any person in any jurisdiction other than the United Kingdom.

DIRECTORS AND ADVISERS

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Robin Chamberlayne
Malcolm Moss

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Registrar

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PART 1: THE COMPANY

Introduction

The Company was incorporated and registered in England and Wales on 24 February 2016, and has been established to operate a business of lending to small and medium sized businesses. The Company has raised funds for its business pursuant to the 2016 Offer and the 2017 Offer. The Company has made six loans as described further in "Operating and Financial Review" in this Part 1. It intends that holders of Income Shares will receive income from profit distributions and that profits attributable to the Growth Shares will accumulate for the benefit of the holders of the Growth Shares.

The small and medium sized enterprise ("SME") sector is a vital part of the UK economy, accounting for over half of private sector employment and turnover. Many of these companies have the potential to grow very quickly, given access to sufficient finance and support for their management teams. However, SMEs often find it difficult to raise the capital they need.

The principal strategy of the Company is to identify opportunities to make loans to a variety of small and medium sized UK private companies. The common feature of such loans will be that each loan will be backed by assets, fixed and current, used in the business, or the business will have predictable revenue streams.

This strategy is expected to mean that Shares in the Company will meet the conditions for Business Property Relief.

BPR is a tax relief provided by the UK Government as an incentive for investing in trading businesses. Investors will benefit from up to 100% relief from Inheritance Tax on the value of the shares, provided that the Shares are held for at least two years and at the time of death.

Background to IHT Regulations – the Inheritance Tax Act 1984 (as amended)

IHT is charged at 40% on an individual's net estate on death after deduction of liabilities and an individual allowance. Discretionary trusts and post Finance Act 2006 life-interest trusts are subject to a separate regime of entry, exit, and ten year charges, again based on the net value of the trust property.

The Attractions of Secured Lending and Lending to Companies with Predictable Revenue Streams

One of the key reasons to provide asset secured financing is that the financing is used to acquire assets used in the borrowing company's core operations, and helps to create the infrastructure required for the company to succeed. As such the company not only relies on the assets to trade, but is more likely to continue paying for these assets should trading become more difficult, as they are often core to its business.

The assets will normally have a use not just for the individual user, but also for other companies within the marketplace, providing a potential secondary market should the company have any difficulties in repaying the finance provided.

There are other companies who may not depend on physical assets to provide their services, but who do have strong predictable revenue streams. These companies may also be suitable as potential borrowers, given the strength of their cashflows and their ability to repay a loan facility. As such the Company may lend to these types of borrowers.

Another attraction of providing financing to SMEs is that, because these companies tend to focus on quite specific market sectors, they are much less dependent than larger companies on the performance of the whole economy to generate growth. In addition, the directors and other key employees usually have significant shareholdings. This means that the management team is incentivised to ensure the ongoing success of the company, and therefore are more connected with the ongoing health of the business.

Key Characteristics of Target Companies

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;
- Renewables 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 Company will make loans to businesses at various stages of development. Loans will be spread across a range of different sectors.

While the majority of the loans will be to provide financing to SMEs, the Company may also provide asset financing to larger corporates, either on a stand-alone basis or on a 'club' financing basis.

Other Net Assets not Advanced as Loans

Funds that are not advanced as loans to businesses will be held in cash and cash equivalents. The Company expects to hold up to 10% of its assets in cash and cash equivalents at any time.

Business Strategy

The principal strategy of the Company is to identify opportunities to make loans to a variety of small and medium sized UK private companies. This strategy is expected to mean that Shares in the Company will meet the conditions for Business Property Relief. The Company is also targeting to make distributions of profits to holders of Income Shares and to allow holders of Growth Shares to benefit from an accumulation of any net profits attributable to the growth in the NAV attributable to the Growth Shares.

The Company would expect to make loans available to businesses from a range of different sectors, such loans to be funded from the repayment of the Company's existing loans as well as proceeds of the 2016 Offer, the 2017 Offer and the Offer. The Company has, at the date of this Prospectus, raised £1,883,000 from the 2016 Offer and the 2017 Offer. The amount of the loans that the Company expects to disburse, and therefore the growth of the Company, is dependent upon a number of variables, including but not limited to the repayment profile of loans made, the amount of funds raised pursuant to the Offer, the amount of cash that is held within the Company at any point in time and the amount of any redeemed Shares. Naturally, the more modest the amount of funds raised from Investors under the Offer, the more moderate the growth and development of the Company may be.

The Company has a targeted minimum total annual return of 3% per Share through the Company's strategy of making a number of carefully selected loans to, in the majority of cases, small and medium sized private companies. The business of the Company is expected to be a qualifying business for Business Property Relief.

The loans made by the Company will generally have repayment profiles which will be repaid on a monthly or quarterly basis over a 3 or 4 year period on an amortising basis, with capital and interest repayments being made on a regular basis. This means that there will be cash inflows from any loans made. This in turn means that the Company's liquidity will be assisted by the repayments made by the borrower.

The Company intends to make regular distributions of profits to holders of Income Shares, and so create sustainable income for those shareholders. Profits attributable to Growth Shares will accumulate for the benefit of the holders of the Growth Shares and will be reflected in the NAV per Growth Share. It is intended that the Shares in the Company will be eligible for relief from Inheritance Tax. To achieve the business objective, loans will be advanced:

- to trading businesses;

- by way of asset backed lending (with security over defined assets, fixed and current); or to companies with long term contracts, or companies which have contracted cashflows with a range of customers;
- by way of amortising loans, where repayments of capital and interest are made on a regular basis by borrowers, usually monthly or quarterly, to reduce the loan balance to nil at the end of the repayment period;

and with a view always to minimising the risk of each loan and the portfolio as a whole in order to achieve capital preservation.

The Company has the objective that ultimately approximately 90% of the Company's assets will be in the form of loans to SMEs. Initially, whilst suitable lending opportunities are being identified, the funds will be held in cash and cash equivalents. These funds will be readily realisable for use in the business. A certain proportion of the Company's assets will be held in cash and cash equivalents on an ongoing basis in order to fund the annual running costs of the Company, and to be available to make further loans. The Company expects to hold up to 10% of its assets in cash and cash equivalents at any time.

The Company intends to deploy up to 90% of the funds raised within three to six months after those funds have been raised and, as at the date of this Prospectus, the Company has achieved this objective in relation to funds raised under the 2016 Offer and 2017 Offer.

It is the Company's intention to lend to a number of businesses to provide diversification and risk protection.

The Directors do not intend to vary the Company's business strategy, which will be adhered to for at least three years following the Offer. However, should a substantial change in the business objectives be considered appropriate by the Directors, such a change will only be made with the approval of an ordinary resolution of Shareholders.

Use of Proceeds

The reason for the Offer is to raise funds for the Company, the proceeds of which will be used in accordance with the Company's business strategy described above.

Assuming:

- net proceeds of £18,900,000;
- 10% of this is kept as cash and cash equivalents at any time; and
- funds from loan repayments are lent again to other borrowers so that funds available for lending are lent on average 1.25 times during the next three years;

the Company would expect loans in the region of £21,262,500 would be advanced over the next three years. So far as the amount of net proceeds of the Offer is less than £18,900,000, the amount which the Company may commit to lend to borrowers may be reduced accordingly. The Company may, from time to time, use proceeds of the Offer to fund redemptions of Shares.

Operating and Financial Review

Financial information, including details of capital repayments and expenses of the Company, from the date of incorporation to 30 June 2018 is provided in Part 3 of this Prospectus, starting on page 27.

Further details on the expenses of the Company can be found in Part 2 of this Prospectus, specifically on pages 24 and 25.

The Company has, as at the date of this Prospectus, raised £1,883,000 from the 2016 Offer and the 2017 Offer.

To date the Company has made six secured loans:

- The first loan facility of £250,000 was signed in March 2017 with Celoxica Limited and is repayable over 2 years. Celoxica helps financial institutions, including tier one global banks and trading houses, optimise the performance of their trading platforms. Having secured £1.5m from ProVen VCT and PGI VCT in 2014, Celoxica will use this latest funding from the Company to further its sales growth in 2017 and 2018. The Company has a second ranking debenture over the assets of Celoxica Limited.
- The second loan facility of £500,000 was signed in April 2017 with Cogora Group Limited and was available to drawdown in two tranches. The first tranche of £250,000 was drawn down in April 2017, the second tranche was drawn down in May 2017. Each tranche is repayable over 3 years. Cogora is one of the UK's leading full-service healthcare marketing agencies and sits at the heart of a community of 220,000 healthcare professionals. Cogora will use this new funding from the Company to focus on further growth in 2017 and 2018. The Company has a second ranking debenture over the assets of Cogora Group Limited.
- The third loan facility of £500,000 was signed in August 2017 with Think Limited and was available to be drawn down in two tranches. The first tranche of £250,000 was drawn down in October 2017, the second tranche was drawn down in January 2018. Each tranche is repayable over 2 years. Think is an award winning digital transformation agency that works with clients like Vue, LV=, Shop Direct and Atom Bank to set and realise their digital ambitions. The Company has a second ranking debenture over the assets of Think.
- The fourth loan facility of £250,000 was signed in February 2018 with Cogora Group Limited, and was available to be drawn down in two tranches. Both tranches were drawn down in March 2018. The first tranche of £125,000 is repayable over 27 months, and the second tranche of £125,000 was repayable over 3 months. The second tranche was fully repaid in May 2018. All other terms of the facility are the same as the previous facilities to Cogora.
- The fifth loan facility of £2,000,000 was signed in February 2018 with Edesix Limited and is available to be drawn down in five tranches. The first tranche of £250,000 was drawn down in April 2018, the second tranche was drawn down in June 2018. Each tranche is repayable over 3 years. Edesix is a manufacturer of Body Worn Camera solutions. The Company has a first ranking debenture over the assets of Edesix.
- The sixth loan facility of £125,000 was signed in June 2018 with Cogora Group Limited and was available to be drawn down in one tranche. The tranche was drawn down in July 2018, and is repayable over 6 months. All other terms of the facility are the same as the previous facilities to Cogora.

The Lending Adviser is currently in discussions with a number of other borrowers. These discussions are at various stages of engagement. At the time of preparing this document, the Company had not

committed to fund any borrowers other than the facilities as described above.

Significant Recent Trends

Gross lending in the first five months of 2018 has edged up, rising by 1.5% compared to the same period last year according to latest Bank of England data. However, due to a slightly higher rise in repayments, the net flow of bank loans to SMEs weakened to a negative £0.1bn. In addition, there are indications that the supply of credit to smaller businesses has tightened slightly. In Q2, the Bank of England Agents' summary of business conditions stated that small firms reported increasing difficulty accessing traditional bank finance, and the FSB Voice of Small Business Index showed the availability of credit declined for the second quarter in a row to the lowest in more than two years. Data from the Finance and Leasing Association shows new asset finance volumes to smaller businesses were £4.4bn in Q1 2018, which is similar to the same period in 2017.

Environmental, Social and Human Rights Policy

The Board will seek to conduct the Company's affairs responsibly. The Board and the Lending Adviser will take environmental, social and human rights factors into consideration.

Competition

Competition for lending to the Company's potential borrowers is expected to come primarily from high-street banks and some other independent lenders, with the UK continuing to have a competitive lending environment post the 2008 financial crisis. In recent years, however, and as a result of this crisis, the main high-street banks have retreated to an extent from lending to these potential borrowers, providing more opportunities for the Company and other independent lenders to lend to these businesses.

The Lending Adviser

The Company will be advised in its lending activities by Beringea LLP, a specialist, award winning, venture capital firm, which manages more than £200 million of Venture Capital Trust assets. Beringea LLP is part of an international fund management group with offices in London and the US, which together manage more than \$600 million of venture capital and loan assets. The Lending Adviser has many years' experience of advising its managed funds on their investments in, and loans to, unquoted small and medium sized enterprises and its planned approach incorporates several features which are designed to reduce substantially the risk profile of the Company, including:

- Extensive investigation of potential lending opportunities;
- Structuring loans to maximise the recovery of capital on exit, for example through asset security and covenants (where appropriate);
- Creating a widely diversified portfolio of loans; and
- Close monitoring of activities of the companies to which it makes loans.

The core team consists of Mark Taylor, who heads up the Lending Adviser's team in support of the Company, and who is a Partner of Beringea LLP, together with Hilary Weatherstone and Chris Bone, two of Beringea's Investment Directors and Malcolm Moss, Founding Partner of Beringea LLP. Together they will source and advise on the loans made by the Company and, as the portfolio grows, recruit

further colleagues to be involved in the business. In addition, a number of other Beringea colleagues will be involved in advising the Company on matters relating to the loans, supporting the new business function and providing administration. Page 24 of this document provides further information on the Lending Adviser's team.

With many years' experience of managing the risks involved in providing financing to unquoted companies, Beringea has implemented a number of measures designed to reduce risk as much as possible. Key risk management features to be adopted by the Company include:

- *Broad range of borrowers* – The Company will lend to a number of companies in different sectors, thereby reducing the potential impact of concentration in any one sector or a low number of companies;
- *Broad portfolio of assets of target borrowers* – The Company will lend against a broad portfolio of assets, fixed and current, thereby reducing the potential impact of concentration in any one asset type;
- *Low-risk assets pre lending* – These will include cash and cash equivalents;
- *Stage of loan financing* – The Company will only lend to established companies, with proven business models;
- *Rigorous lending process* – Beringea has established rigorous procedures for reviewing and approving potential loans aimed at ensuring a high standard of decision-making;
- *Amortising repayment profile* – The loans made by the Company will usually have a fully amortising profile, repayable over three or four years, so that there are cash inflows of capital and interest from the borrower over the life of the loan;
- *Close monitoring of loan portfolio* – Beringea will closely monitor the performance of all loans in order to identify any problems and to enable the Company to take swift corrective action, and may seek board observer status on a case by case basis;
- *Co-financing* – From time to time the Company may consider financing transactions on a 'club' basis, where the Company and another financier will jointly fund assets/revenue streams. This is likely to happen when a transaction is larger than the Company expects that it would normally finance.

Beringea and its predecessor entities has used its experience gained over its 30 year history to develop a rigorous lending process designed to ensure the highest standard of financing decision making for its advised funds. The first stage of this will be to select a small proportion of the large number of potential loan opportunities received by Beringea for further investigation. All of these opportunities will then be subjected to a thorough due diligence investigation, comprising a review of the company's financial status, any assets being financed, the market in which the company operates, its competitive position within the market and the opportunities and risks facing the business. The due diligence process will usually involve detailed market research, as well as building and reviewing financial models, as appropriate. Beringea may also appoint specialist professional advisers, such as accountants and asset specialists, to assist it with its investigation.

If there is a satisfactory outcome to the due diligence process, a formal proposal will be submitted to Beringea's credit committee for consideration and if approved there will be a formal recommendation to the Company to approve the proposal. The Directors of the Company will then in their absolute discretion determine whether to proceed.

Once a loan has been advanced, Beringea will monitor the loan closely to ensure that any problems are identified at an early stage, so that appropriate action can be taken swiftly if necessary. The key steps it takes to achieve this will normally include the following:

- reviewing regular management/annual accounts in order to identify potential issues or additional opportunities;
- quarterly analysis and appraisal;
- application of appropriate covenants; and
- meetings with management as appropriate.

To date the Company has made six secured loans, details of which are set out on page 18.

The Lending Adviser is currently in discussions with a number of other potential borrowers.

Further information concerning the Lending Adviser is set out on pages 22 to 24 of this document.

Targeted Minimum Total Annual Return and Dividend Policy

The Company has a targeted minimum total annual return of 3% per Share net of all fees and operating expenses. The targeted minimum total annual return of 3% per Share is intended to counter long-term inflationary pressures which can erode capital value over time.

The targeted minimum total annual return should not be taken as an indication of the Company's expected future performance or results over any period. It is a target only and there is no guarantee that it can or will be achieved. Accordingly, subscribers should not place any reliance on this target in deciding whether to subscribe for New Shares.

The Company did not achieve the targeted minimum total annual return in its first full year of trading but is now profitable and expects to meet the target in its second full year of trading.

The Directors aim to make distributions to holders of Income Shares by way of dividends paid out of any net profits of the Company attributable to the Income Shares. Holders of Growth Shares will receive their corresponding investment return through an accumulation of any net profits attributable to the Growth Shares in the NAV attributable to the Growth Shares.

The Directors intend to pay an annual dividend after the publication of the Company's annual financial statements for each financial period to holders of Income Shares on the register as at the date a dividend is declared. This is subject to the Company having sufficient profits available for distribution.

Further Issues of Shares

The Directors may have authority to allot and issue further Shares in the share capital of the Company following the close of the Offer. Further issues of Shares would only be made if the Directors determine such issues to be in the best interests of Shareholders and the Company as a whole. Relevant factors in making such determination include the Company's performance and perceived Shareholder demand. In the case of further issues of Shares made pursuant to the authorities that will be available to the Directors immediately following the close of the Offer, such Shares will only be issued based on the Pricing Formula set out on page 25.

Borrowings

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

Communicating with Shareholders

The Directors and the Lending Adviser believe strongly in the importance of good communication with Shareholders and will provide information about the progress of the Company in a number of different ways:

- The annual report and accounts will be made available via website or hard copy to all Shareholders, normally within 4 months of each year end;
- A half-year report will be made available via website or hard copy to all Shareholders, normally within 3 months of the end of each half year end; and
- E-mail updates, containing news about the Company and its loans, will be sent to Shareholders on an occasional basis. Shareholders who would like to receive information by e-mail

should enter their e-mail address at the appropriate place on the Application Form.

Share Redemption Facility

Shareholders will be able to request the redemption of all or part of their Shares as of either 30 June or 31 December each year (each a "Redemption Date") by giving the Company written notice using the Redemption Request Application Form. This form must be received by the Company by the last working day of the month preceding the Redemption Date. The dates have been chosen as they are the dates on which the Company's annual and half year financial statements will be made up. The Company may, from time to time, use proceeds of the Offer to fund redemptions of Shares.

Subject to the Board's discretion, applicable law and regulation and the availability of sufficient cash reserves, the Company will redeem the Shares at a discount of 1% to the Net Asset Value per Growth Share or Net Asset Value per Income Share, as appropriate, as at 30 June or 31 December (as applicable).

The Board, in its absolute discretion, reserves the right to effect a disposal of Shares for Shareholders who request the redemption of their Shares, to applicants applying for Shares, by way of a matched bargain service. Under this service, the Company will effect the sale of the Shares of exiting Shareholders wishing to redeem by matching them with applicants subscribing for Shares. The disposal and acquisition price, together with the fees payable by exiting and new Shareholders, will be identical, where the matched bargain service is used, to those prices and fees which would have applied if the disposal and acquisition had been carried out by way of a redemption of the exiting Shareholder's Shares and a subscription of Shares by the new Shareholders, save that Stamp Duty will be deducted by the Company from the sale proceeds payable to the exiting Shareholder.

PART 2: FURTHER INFORMATION ABOUT THE COMPANY

The Board has overall responsibility for the Company's activities. The Directors take all trading and lending decisions on behalf of the Company.

The Board

The Board comprises three directors, as follows:

**JAMIE PERKINS,
CHAIRMAN**



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 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 manage assets for major 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 ProVen Legacy he sits on the boards of ProVen VCT, PGI VCT and on the investment committees of Beringea Group's US venture capital funds.

Any subsequent appointments will be made by the Board and be subject to re-election by Shareholders at the first AGM after appointment.

Corporate Governance

Although there are no specific corporate governance principles with which the Company is obliged to comply, the Company follows customary corporate governance principles so far as suitable for a business of the Company's size and business type.

The Board receives relevant details of the Company's assets, liabilities and other relevant information in advance of Board meetings. The Board meets formally in person or by telephone/video conference at least quarterly and when a lending decision is to be made and the Lending Adviser is in regular contact with the Directors on an ad hoc basis.

The Lending Adviser

The Company has appointed Beringea as its Lending Adviser to advise and assist the Company in executing its business strategy. The Lending Adviser provides strategic input in the origination, acquisition and realisation of loans and monitors the financial performance of the Company's borrowers. The Lending Adviser may also assist in

identifying suitably qualified employees, operating/management teams and advisers for the Company and any trading subsidiaries it may establish.

The Lending Adviser is authorised and regulated by the FCA (reference 496358) and is a specialist, award winning venture capital firm, which manages more than £200 million of VCT assets and is part of an international fund management group with offices in London and the US, which together manage more than \$600 million of venture capital and loan assets.

The Lending Adviser manages a range of Venture Capital Trusts known as the ProVen VCTs including PGI VCT and ProVen VCT on their investment strategy which has included a primary focus on investing in UK companies qualifying for investment by Venture Capital Trusts.

The Lending Adviser has a long history of working on a wide range of relevant transactions in sectors, including the following examples:

Peerius Limited



Peerius is a provider of website personalisation software. The company received £1.2 million of growth finance from ProVen VCT and PGI VCT in April 2014. Peerius' suite of SMART products allows each retail client to treat every visitor to its website as a unique individual. The company was sold in August 2016 with ProVen VCT and PGI VCT receiving full loan repayments.

Speciality European Pharma Limited



Speciality European Pharma Limited (SEP), the pan European speciality urology company, secured £4.75 million in December 2014 from ProVen VCT and PGI VCT. Founded in April 2006, SEP is a privately owned speciality pharmaceutical company. It focuses on products aimed largely at the urology or urogynaecology markets. The company was sold in May 2016 with ProVen VCT and PGI VCT receiving full loan repayments.

The Lending Adviser has now assisted the Company in completing the following loans:

Celoxica Limited



Celoxica Limited ("Celoxica"), a provider of ultra-low-latency market data, order entry and pre-risk solutions, secured £1.5 million in August 2014 from ProVen VCT and PGI VCT.

In March 2017 the Company provided a secured loan facility of £250,000 to Celoxica, which is repayable over 2 years.

Established in 1996 as a spinout from Oxford University, Celoxica has grown to become a provider of trading solutions to the global financial services industry.

Cogora Group Limited



Cogora Group Limited ("Cogora") is a magazine publisher and event organizer in the healthcare sectors. The company publishes a range of titles, many of which are endorsed by the relevant professional bodies. ProVen VCT, PGI VCT, and ProVen Planned Exit VCT have together provided €6.0 million of finance to Cogora.

The Company's second loan facility, for an amount of €500,000, was signed in April 2017 with Cogora Group Limited and was available to drawdown in two tranches. The first tranche of €250,000 was drawn down in April 2017, the second tranche was drawn down in May 2017. Each tranche is repayable over 3 years.

A third and fourth tranche for €125,000 each were subsequently agreed and drawn down on 22 February 2018. Tranche three is repayable over 27 months and tranche four was repayable over three months and was repaid in full on 31 May 2018. A further facility for €125,000 was agreed in June 2018 and drawn down in July 2018 and is repayable over six months.

Think Limited

The logo for Think Limited, featuring the letters "TH_NK" in a bold, black, sans-serif font. The underscore is positioned between the "H" and "N".

Think is an award winning digital transformation agency that works with clients like Vue, LV=, Shop Direct and Atom Bank to set and realise their digital ambitions. Founded in 2004, it combines the business focus of consultancies, the customer centricity of agencies and the tech capability of systems integrators; making it a true partner for change.

The Company's third loan facility, for an amount of €500,000 was signed in August 2017 with Think Limited, and was available to be drawn down in two tranches. The first tranche of €250,000 was drawn down in October 2017, the second tranche was drawn down in January 2018. Each tranche is repayable over 2 years.

Edesix Limited

The logo for Edesix Limited, featuring the word "edesix" in a lowercase, black, sans-serif font. The letter "x" is stylized with a green outline and a green shadow effect.

Edesix is a global market leader in the production and provision of Body Worn Camera (BWC) solutions. BWCs have been proven to help improve the safety of those in public facing roles, whilst producing compelling legal evidence when needed. Edesix currently supplies key markets across the globe, through direct sales and international partners, to geographies including the UK, Europe, USA, Canada, the Middle East and Australasia.

The Company's fifth loan facility of €2,000,000 was signed in February 2018 with Edesix Limited, and was available to be drawn down in five tranches. The first tranche of €250,000 was drawn down in April 2018, the second tranche was drawn down in June 2018. Each tranche is repayable over 3 years.

The Lending Adviser Team

The principal members of the Lending Adviser team are listed below. Collectively they have significant experience of working with SMEs, including understanding the challenges facing such businesses.

Mark Taylor

Mark joined Beringea in 2013 and heads up Beringea Growth Finance, which provides debt-based finance to fast growing companies. He has over 30 years' experience working within the finance sector of which 14 years were in asset based financing at Barclays Bank and Kleinwort Benson and in the last 20 years he has been focused on venture and growth finance. Mark was a pioneer of venture and growth finance in Europe having been a founder partner of EVP (now Kreos Capital) in 1998. He went on to found and manage Noble Venture Finance and was instrumental in creating Clydesdale Growth Finance. Mark is a Chartered Accountant and is a graduate of the University of Reading.

Hilary Weatherstone

Hilary is an Investment Director in Beringea's Growth Finance team, having joined in 2014, and has extensive debt and structured finance experience. Hilary has worked at Dresdner Kleinwort Benson, was a Director in the asset finance business of Barclays, an Account Director in Ernst & Young's TMT team and latterly a Director of Technology Finance at Lloyds Banking Group. Hilary is a graduate of the University of Glasgow.

Chris Bone

Chris is an Investment Director in Beringea's Growth Finance team. Chris has been helping to fund businesses for over twelve years, the majority of which has been for high growth technology businesses. Chris started his career at Bank of Scotland Corporate in various debt and equity roles including Oil & Gas Finance, Acquisition Finance and Integrated Finance. He then went on to co-found Clydesdale Growth Finance, helping to build a team and to provide innovative funding to businesses across the UK. Chris qualified as a Chartered Banker and has a Business Finance degree from the University of Durham.

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 ProVen Legacy he sits on the boards of ProVen VCT, PGI VCT, and on the investment committees of Beringea Group's US venture capital funds.

Stuart Veale

Stuart is Managing Partner of Beringea and has 30 years of private equity investment experience. Prior to joining Beringea in 2002, Stuart was a senior director with LDC (the private equity arm of the Lloyds Banking Group) and head of their Thames Valley office. He started his career in venture capital with 3i. Stuart has an MA from the University of Oxford and an MBA from the London Business School.

Rob Dagger

Rob is an Investment Manager and is responsible for sourcing and analysing new deals, due diligence on potential investments and loans and monitoring portfolio companies. Prior to Beringea, Rob worked as a senior consultant in Deloitte's strategy practice, focusing primarily on projects for technology and media organisations. Rob is a graduate of the London School of Economics and is a Chartered Financial Analyst.

Administrator

The Company has appointed Beringea to act as its Administrator pursuant to the Administration Agreement dated 24 May 2016 (further details of which are set out in paragraph 12.3 of Part 6 (Additional Information) of this document). The Administrator is responsible for providing accounting and company secretarial functions (including but not limited to the maintenance of the Company's accounting and statutory records) and calculating the Net Asset Value per Share.

Registrar

The Company has appointed Link Asset Services to act as the Company's registrar pursuant to the Registrar Agreement between the Company and the Registrar dated 31 May 2016 (further details of which are set out in paragraph 12.4 of Part 6 (Additional Information) of this document). The Registrar is responsible for providing registration services to the Company and maintaining the related books and records (such as the Company's register of Shareholders).

Charges and Expenses Payable by Investors and by the Company

These expenses will include the following:

Annual Lending Advisory Fee

The Lending Adviser is entitled to receive from the Company an annual advisory fee equal to 1.5% of the NAV plus VAT if applicable. The advisory fee is payable annually in arrears. The Lending Adviser may charge arrangement fees, in line with industry practice, to companies to which the Company advances loans. It may also receive monitoring fees from such companies. The Lending Adviser and not the Company will be responsible for all costs incurred on lending opportunities which do not proceed to completion.

If the Company achieves its targeted minimum total annual return of 3% per Share in a financial year, the whole of the advisory fee of 1.5% of the NAV will be payable to the Lending Adviser in the following year, shortly following publication of the Company's annual financial statements for the financial year in question. Deferral provisions apply to the advisory fee in circumstances where the Company fails to achieve its targeted minimum total annual return of 3% per Share, as described below.

If the Company fails to achieve its targeted minimum total annual return of 3% per Share in a financial year and the Company's actual total annual return per Share for that year is 1.5% or less, then the whole of the advisory fee for that year will be deferred and retained by the Company. If the Company's actual total annual return per Share for that year is more than 1.5% but less than 3%, then such amount of the advisory fee for that year will be deferred and retained by the Company in order to enable the Company to achieve its targeted minimum total annual return of 3% per Share in that financial year.

If in any financial year the Company exceeds its targeted minimum total annual return of 3% per Share, then amounts of the Lending Adviser's advisory fee that have been deferred and retained in prior years will be released and paid to the Lending Adviser to the maximum extent possible, but not so as to reduce the total annual return per Share below 3% for the financial year in question.

Administration Fee

Beringea will provide certain administration services, comprising accounting, company secretarial and other administration for an annual fee payable by the Company of 0.7% of the NAV (subject to a minimum of £20,000 per annum and a maximum of £55,000 per annum) (plus VAT if applicable). The minimum and maximum fees are increased annually in line with the increase in the Retail Prices Index ("RPI") during the Company's accounting year, save that in the event that RPI is negative, the minimum and maximum fees will not be subject to reduction.

Annual Running Costs

The external Annual Running Costs of the Company, being the Directors' fees, professional fees and the costs incurred by the Company in the ordinary course of business (including irrecoverable VAT but excluding the Annual Lending Advisory Fee, Administration Fee and any trail commissions payable to intermediaries) are capped at 0.5% of the NAV of the Company subject to a minimum of £100,000 per annum or, if lower, the actual annual running costs incurred. The minimum fee is increased annually in line with the increase in RPI during the Company's accounting year, save that in the event that RPI is negative, the minimum fee will not be subject to reduction.

Any costs above this level are borne by the Lending Adviser, by way of a reduction in its fees, except that the Lending Adviser will not be required to contribute funds in excess of the Annual Lending Advisory Fee it would otherwise receive.

The expenses of the Offer will be met by Beringea. Such expenses, and all other expenses to which the Company is currently committed, including Directors fees and those expenses payable pursuant to the material contracts described in paragraph 12 of Part 6 of this document, will be met so far as possible from the Company's trading profits or otherwise from capital raised under the Offer.

Adviser Charges, Execution Only Broker Charges and Promoter's Fee

Intermediaries authorised by the FCA offering investment advice to their clients ("Financial Advisers") are no longer permitted to receive commission from providers of investment products. Remuneration for their services now has to come from fees charged to their clients. The Company has agreed to facilitate the payment of initial fees to Financial Advisers, by accepting instructions from an Investor to pay the amount of the fee agreed by them to their Financial Adviser, together with any applicable VAT ("Adviser Charge"), out of the amount the Company receives from the Investor. Accordingly, these are charges that are borne by Investors. The net investment made by the Investor will depend on the amount of the fee to be facilitated by the Company in accordance with the dual pricing structure referred to below. Investors who wish the Company to facilitate the payment of the Adviser Charge in this manner should complete Section 3 of the Application Form accordingly. The amount payable to the Financial Adviser is inclusive of VAT, where applicable.

These rules do not apply to authorised intermediaries who do not offer advice to their clients ("Execution Only Brokers"), who continue to be able to receive commission, subject to any future changes in the rules and regulations.

In order to take account of the different rules applying to the two categories of intermediary, the Company has decided to adopt a dual pricing structure.

- For Applications received through Financial Advisers, the Company will pay the Promoter an amount up to 4% of the gross funds raised after the Adviser Charge (if any), from Applications received through Financial Advisers and no ongoing commission.
- For Applications received through Execution Only Brokers, the Company will pay the Promoter a maximum of 5.5% of the gross funds raised from Applications received through Execution Only Brokers. From the Promoter's Fee, the Promoter will pay up to 4% initial commission to those Execution Only Brokers. Provided the Execution Only Broker continues to act for the Investor and the Investor continues to be a beneficial owner of the New Shares the Company will pay an ongoing annual trail commission of up to 0.5% of the gross subscription for a maximum of 5 years.

The Promoter may agree to reduce its Promoter's Fee (in whole or in part) in respect of any specific Investor or group of Investors.

Commission for Execution Only Brokers

Execution Only Brokers may agree to waive all or part of the initial commission in respect of an Application. If this is the case, additional New Shares will be allotted to the Investor and the waived commission will be used to satisfy the subscription price of such additional New Shares. Execution Only Brokers must indicate on the Application Form the basis on which they wish to receive their commission.

Pricing of the Offer

By completing and delivering an Application Form, the Investor offers to subscribe the amount of money specified in the Investor's Application Form or such lesser amount for which the Investor's Application is accepted, which shall be used to purchase New Shares as determined by the Pricing Formula set out below, on the terms of, and subject to the conditions contained in, this document and subject to the memorandum and articles of association of the Company.

Pricing Formula

The number of New Shares to be allotted under the Offer will be calculated using the following Pricing Formula:

Number of New Shares = (Amount subscribed, less: (i) Promoter's Fee and (ii) Adviser Charge (if any))/latest NAV* rounded down to the nearest whole number of New Shares

*The NAV used will be:

For a Growth Share, the Net Asset Value per Growth Share calculated in pence and rounded up to two decimal places, but not less than £1.00 per Growth Share.

For an Income Share, the Net Asset Value per Income Share calculated in pence and rounded up to two decimal places, but not less than £1.00 per Income Share, less any dividend payable for which the record date is before the allotment date.

Valuations and Net Asset Value

The Directors have adopted the following Valuation Guidelines:

- Loans will be measured at amortised cost, less any allowance for impairment.
- Accrued interest or income that has been declared and not yet received will be valued in full, unless the Directors believe it is unlikely to be received in full, in which case the Directors will apply a discounted valuation.
- The value of any cash on hand or on deposit, bills and demand notes and accounts receivable, prepaid expenses, cash dividends and interest declared or accrued as aforesaid and not yet received shall be deemed to be the full amount thereof.
- Money market instruments with a remaining maturity of 90 days or less will be valued by the amortised cost method, which approximates market value. Under this valuation method, assets are valued at their acquisition cost as adjusted for amortisation of premium or accretion of discount rather than at market value.

In accordance with the Valuation Guidelines, the Administrator will calculate the Net Asset Value and the Net Asset Value per Growth Share and the Net Asset Value per Income Share quarterly or at such other times as may be required prior to the allotment of New Shares and the Directors will review and approve such adjustments as they may in their discretion determine.

The unaudited Net Asset Value per Growth Share and the Net Asset Value per Income Share as at each quarter end as approved by the Board will be published on the website www.provenlegacy.co.uk (or such other website as the Company may notify Shareholders of) as soon as practicable after the relevant quarter end.

Material Relationships and Conflicts of Interest

The Lending Adviser may advise the Company and its subsidiaries, if any, to acquire or dispose of holdings in, or securities issued by, or to acquire holdings alongside vehicles, companies or funds with which it is associated or in respect of which the Lending Adviser has been involved in the provision of services for which it may receive commissions, benefits, charges or advantage from so acting. In addition, the Lending Adviser may arrange for the Company to be a party to a financing syndicate of which some or all other members are associated with the Lending Adviser.

The Lending Adviser provides services to other companies whose investment objectives and/or philosophies overlap with, or are complementary to, the trading strategies and/or philosophies pursued by the Company, and both the Company and such companies associated with the Lending Adviser may be eligible to participate in the same opportunities.

It is the policy of the Lending Adviser to allocate opportunities fairly and equitably among the Company and other companies that it advises or manages, where applicable, to the extent possible over a period of time.

In the event of a conflict of interest arising, so far as it is within their powers to do so, the Independent Directors will endeavour to ensure that it is resolved fairly and in accordance with the conflicts policy

and/or conflicts operating procedure from time to time relating to the Company and/or the Lending Adviser.

Accounts and Reports to Shareholders

The Company's financial statements will be prepared in pounds Sterling. The Company's unaudited half-year and audited annual financial statements will be made up to 31 December and 30 June respectively in each year.

The Directors communicate regularly with Shareholders through the website www.provenlegacy.co.uk (or such other website as the Company may notify Shareholders).

The Company intends to hold an Annual General Meeting in the second half of each calendar year.

Taxation

Information concerning the tax status of the Company and the tax treatment of Shareholders is contained in Part 5 (Taxation) of this document. A potential Shareholder should seek advice from his or her own independent professional adviser as to the taxation consequences of acquiring, holding or disposing of Shares.

PART 3: FINANCIAL INFORMATION RELATING TO THE COMPANY

The financial information concerning the Company is presented in this Part 3 as follows:

The Annual Report and Accounts for the period from 24 February 2016 (date of incorporation) to 30 June 2017 and the year ended 30 June 2018 have been incorporated into this Prospectus in their entirety and therefore where page number are referred to in Part 3 Section A and Part 3 Section B they are based on the pagination of the respective Annual Report and Accounts and do not reflect references to pages within this Prospectus.

Part 3 Section A

PROVEN LEGACY PLC ANNUAL REPORT AND ACCOUNTS

For the period from 24 February 2016 (date of incorporation) to 30 June 2017

CHAIRMAN'S STATEMENT

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION) TO 30 JUNE 2017

Introduction

I have pleasure in presenting the first Annual Report and Accounts for ProVen Legacy plc (the "Company"). The report covers the period from the Company's incorporation on 24 February 2016 to 30 June 2017, although the Company first allotted shares to shareholders on 31 January 2017.

Fundraising activities

The Company launched an offer for subscription on 3 June 2016 (the "2016 Offer"). The 2016 Offer closed on 2 June 2017 having raised gross proceeds of £950,000, all of which was allotted during the period.

After the period end, the Company launched a further offer for subscription on 7 August 2017 (the "2017 Offer") with an opportunity to raise up to £20 million.

Results

The net loss for the period ended 30 June 2017 was £91,392, which included one-off set up costs of £50,000.

Lending activity

At 30 June 2017, the Company had advanced two loans totalling £750,000 and received capital repayments of £53,538.

The first loan facility of £250,000 was signed in March 2017 with Celoxica Limited and is repayable over two years.

The second loan facility of £500,000 was signed in April 2017 with Cogora Group Limited and was available to drawdown in two tranches. The first tranche of £250,000 was drawn down in April 2017, the second tranche was drawn down in May 2017. Each tranche is repayable over three years.

Annual General Meeting

The Company's AGM will be held at 39 Earlham Street, London, WC2H 9LT at 12.00 p.m. on Tuesday 19 September 2017.

Two items of special business, giving the Directors authority to allot shares to enable the Company to raise additional funds, will be proposed at the AGM.

Post balance sheet events

Other than the matters described above, there were no material events during the period from 1 July 2017 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 funds raised under the 2017 Offer.

Jamie Perkins

Chairman

21 August 2017

BOARD OF DIRECTORS

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION)
TO 30 JUNE 2017

Jamie Perkins (Chairman)

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 10 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 (appointed 24 May 2016)

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 major 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 26 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 PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION) TO 30 JUNE 2017

The Directors present the Strategic Report for the period from 24 February 2016 (date of incorporation) to 30 June 2017. The Board prepared this report in accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Principal activities and status

The Company was incorporated and registered in England and Wales on 24 February 2016. 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** 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;
 - Renewables assets;
 - Infrastructure assets – for example CCTV systems in car parks; and
 - Property assets – for example student accommodation, hotels, public houses, restaurants, care homes and health clubs.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 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 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 loans to two underlying borrowers. The performance of the Company is therefore heavily dependent on the performance of these two underlying borrowers, namely Celoxica Limited and Cogora Group Limited. As noted above, active monitoring of the borrowers is undertaken by the Lending Adviser and as the Company raises further funds under its offer for subscription dated 7 August 2017 and new loans are advanced, it is expected that this concentration risk will be reduced.

Risks relating to taxation

The Directors intend to operate the Company with a view to ensuring that a subscription for shares in the Company will offer shareholders Business Property Relief from Inheritance Tax, 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 developments, and specifically Business Property Relief, and will reflect these developments, where applicable, in the activities of the Company.

The Company's principal financial risks for the period to 30 June 2017 are detailed in note 10 on pages 22 and 23.

Business review and future developments

The Company's business review and future developments are set out in the Chairman'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.

The position of the Net Asset Value per Growth Share and Net Asset Value per Income Share at 30 June 2017 is set out on page 13.

As at 30 June 2017, all scheduled loan repayments had been received by the Company.

By order of the Board

Jamie Perkins

Chairman

21 August 2017

DIRECTORS' REPORT

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION) TO 30 JUNE 2017

The Directors present the Annual Report and Accounts of the Company for the period ended 30 June 2017.

Results and dividends

The results for the period are set out on page 12.

No dividends were payable for the period.

Directors

The Directors, whose names and biographies are set out on page 4, all served throughout the period with the exception of Robin Chamberlayne, who was appointed on 24 May 2016.

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 2017 is set out in note 8 of these accounts on pages 19 to 21.

During the period, 769,250 Redeemable Growth Shares were issued at an average price of £1.00 per Redeemable Growth Share, with an aggregate consideration of £769,250 which excluded share issue costs of £750. 180,000 Redeemable Income Shares were issued at an average price of £1.00 per Redeemable Income Share, with an aggregate consideration of £180,000.

On 24 May 2016, 50,000 Redeemable Preference Shares of £1 each in the Company were allotted and issued to Beringea LLP and paid up as to one quarter so as to enable the Company to obtain a certificate under s761 of the Companies Act 2006. The shares were subsequently fully paid up and then redeemed and cancelled on 9 May 2017.

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

A resolution to re-appoint BDO LLP as the Company's auditor will be proposed at the forthcoming AGM. BDO LLP has expressed its willingness to continue in office.

Annual General Meeting

The Annual General Meeting of the Company will be held at 39 Earlam Street, London, WC2H 9LT on Tuesday 19 September 2017 at 12.00 p.m.

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;
- 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

Jamie Perkins

Chairman

21 August 2017

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVEN LEGACY PLC

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION)
TO 30 JUNE 2017

We have audited the financial statements of ProVen Legacy Plc for the period from 24 February 2016 and ended 30 June 2017 which comprise the income statement, the statement of financial position, the statement of changes in equity, the statement of cash flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditor's 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.

Respective responsibilities of Directors and auditors

As explained more fully in the statement of Directors' responsibilities, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Financial Reporting Council's (FRC's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the FRC's website at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 June 2017 and of its loss for the period 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.

Opinion 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 period 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 or the Directors' Report.

We have nothing to report in respect of the following matters where the 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.

Peter Smith (senior statutory auditor)

For and on behalf of BDO LLP, statutory auditor

London, United Kingdom

Date: 21 August 2017

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROVEN LEGACY PLC

INCOME STATEMENT

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION)
TO 30 JUNE 2017

	Note	£
Loan interest income	2	7,712
Administrative expenses	3	(99,138)
Operating loss		(91,426)
Interest income		282
Bank charges		(248)
Loss on ordinary activities before taxation		(91,392)
Taxation	4	–
Loss on ordinary activities after taxation		(91,392)

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 16 to 24 form part of these financial statements.

PROVEN LEGACY PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2017

	Note	£
<i>Fixed Assets</i>		
Loans	5	696,462
<i>Current assets</i>		
Debtors	6	4,148
Cash at bank and in hand		189,485
Creditors – amounts falling due within one year	7	(32,235)
Net current assets		161,398
Total assets less current liabilities		857,860
<i>Capital and reserves</i>		
Called up share capital	8	9,495
Share premium		939,757
Revenue reserves		(91,392)
Total equity shareholders' funds		857,860
Net Asset Value per Redeemable Growth Share	9	90.4p
Net Asset Value per Redeemable Income Share	9	90.4p

The notes set out on pages 16 to 24 form part of these financial statements.

Jamie Perkins

Chairman

ProVen Legacy plc

Company number: 10024220

21 August 2017

PROVEN LEGACY PLC

STATEMENT OF CHANGES IN EQUITY

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION)
TO 30 JUNE 2017

	Called up share capital £	Share premium £	Revenue reserve £	Total £
At 24 February 2016	–	–	–	–
Issue of new shares in the period	59,495	940,507	–	1,000,002
Share issue costs	–	(750)	–	(750)
Redemption of shares	(50,000)	–	–	(50,000)
Total comprehensive loss	–	–	(91,392)	(91,392)
At 30 June 2017	9,495	939,757	(91,392)	857,860

The notes set out on pages 16 to 24 form part of these financial statements.

PROVEN LEGACY PLC

STATEMENT OF CASH FLOWS

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION)
TO 30 JUNE 2017

	£
Loss on ordinary activities after taxation	(91,392)
Loans advanced	(750,000)
Loan repayments received	53,538
Increase in debtors	(4,148)
Increase in creditors	32,235
Net cash used in operating activities	(759,767)
Cash flows from investing activities	–
Cash flows from financing activities	
Proceeds from share issue	1,000,002
Share issue costs	(750)
Shares redeemed	(50,000)
Net cash from financing	949,252
Increase in cash and cash equivalents	189,485
Cash at beginning of period	–
Net cash inflow for the period	189,485
Cash at end of period	189,485

Included in loss on ordinary activities after taxation was interest received of £282.

The notes set out on pages 16 to 24 form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

FOR THE PERIOD FROM 24 FEBRUARY 2016 (DATE OF INCORPORATION) TO 30 JUNE 2017

1) Accounting policies

The Company was incorporated on 24 February 2016 in England and Wales. The first allotment under the offer for subscription dated 3 June 2016 was made on 31 January 2017. As a result, the first accounting period is from the date of incorporation until 30 June 2017.

The Company has prepared its first statutory financial statements under Financial Reporting Standard 102 ("FRS102"). The following accounting policies have been applied consistently throughout the period from 24 February 2016 until 30 June 2017.

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

Interest receivable on loans is recognised on an accruals basis.

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, 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.

Debtors and creditors

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

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.

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

2) Revenue

	£
Loan interest income	7,712

3) Administrative expenses

Included within administrative expenses are the following:

	£
Directors' remuneration	21,799
Auditor's remuneration for statutory audit	7,500
Auditor's remuneration – tax compliance	2,000

Directors' remuneration

Since 3 June 2016, Jamie Perkins and Robin Chamberlayne were 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.

4) Tax on ordinary activities

	£
Loss on ordinary activities before taxation	(91,392)
Tax charge at the applicable rate of 19.82%	(18,110)
<i>Effects of:</i>	
Expenses not deductible for tax purposes	8,467
Deferred tax asset not recognised	9,643
Corporation tax charge	–

No deferred tax asset has been recognised as the timing of its recovery cannot be foreseen with any certainty. The unrecognised deferred tax asset, at an anticipated rate of 17%, arising from tax losses carried forward of £48,664, would equate to £8,273.

5) Loans

	£
<i>Debt instruments measured at amortised cost</i>	
Loans at 24 February 2016	–
Loans advanced	750,000
Capital repayments	(53,538)
Loans at 30 June 2017	696,462

6) Debtors

	£
Prepayments	4,148
Total	4,148

7) Creditors

	£
Accruals	17,860
Deferred loan receipts	12,500
Social security and taxes payable	1,625
Promoters fees payable	250
Total	32,235

8) Share capital

	Number	Amount £
Ordinary Shares of £1 each	2	2
Redeemable Growth Shares of £0.01 each	769,250	7,693
Redeemable Income Shares of £0.01 each	180,000	1,800
Total		9,495

Share movement in the period

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

	Redeemable Growth Shares		Redeemable Income Shares		Redeemable Preference Shares		Ordinary Shares	
	Number	Amount £	Number	Amount £	Number	Amount £	Number	Amount £
As at 24 February 2016	–	–	–	–	–	–	–	–
Issued in the period	769,250	7,693	180,000	1,800	50,000	50,000	2	2
Redeemed in the period	–	–	–	–	(50,000)	(50,000)	–	–
As at 30 June 2017	769,250	7,693	180,000	1,800	–	–	2	2

During the period, 769,250 Redeemable Growth Shares were issued at an average price of £1.00 per Redeemable Growth Share, with an aggregate consideration of £769,250 which excluded share issue costs of £750. 180,000 Redeemable Income Shares were issued at an average price of £1.00 per Redeemable Income Share, with an aggregate consideration of £180,000.

On 24 May 2016, 50,000 Redeemable Preference Shares of £1 each in the Company were allotted and issued to Beringea LLP and paid up as to one quarter so as to enable the Company to obtain a certificate under s761 of the Companies Act 2006. The shares were subsequently fully paid up and then redeemed and cancelled on 9 May 2017.

Share Rights

Ordinary Shares

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

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.

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

	Total	Redeemable Growth Shares	Redeemable Income Shares	Ordinary Shares
Shares in issue at 30 June 2017	949,252	769,250	180,000	2
Net assets	857,860	695,188	162,670	2
Net asset value per share		90.4p	90.4p	100.0p

10) 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. The Company has a second ranking debenture over the assets of Celoxica Limited.

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

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

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

	£
Cash and cash equivalents	189,485
Loans	696,462
	885,947

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 2017, 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	472,873	–	–
Receivable/(due) within 1 year	223,589	189,485	(32,235)
Total	696,462	189,485	(32,235)

11) Capital management

As the Company has a low level of liabilities, the Board considers the Company's net assets to be its capital. The primary objective of the Company's capital management is to hold a diversified lending portfolio with a view of minimising the risk of each loan and the portfolio as a whole in order to achieve capital preservation for shareholders. The Company does not have any externally imposed capital requirements.

12) Contingencies, Guarantees and Financial Commitments

At 30 June 2017, the Company had no contingent liabilities, guarantees and financial commitments.

13) 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 to 30 June 2017, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £8,333, of which £8,333 was outstanding at the period end.

No fees were paid to Beringea LLP in its capacity as Lending Adviser.

Beringea LLP also acted as promoter for the offer for subscription dated 3 June 2016. The promoter's fees in the period amount to £250 out of which Beringea LLP paid certain costs of the offer as well as initial commissions. At the period end, an amount of £250 was outstanding in respect of these services.

On 24 May 2016, 50,000 Redeemable Preference Shares of £1 each in the Company were allotted and issued to Beringea LLP and paid up as to one quarter so as to enable the Company to obtain a certificate under s761 of the Companies Act 2006. The shares were subsequently fully paid up and then redeemed and cancelled on 9 May 2017.

14) Post balance sheet events

After the period end, the Company launched a further offer for subscription on 7 August 2017 (the "2017 Offer") with an opportunity to raise up to £20 million.

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

BPR Tax Advisers

Philip Hare & Associates LLP

4-6 Staple Inn,

High Holborn,

London WC1V 7QH

Solicitors to the Company

Harrison Clark Rickerbys Limited

Ellenborough House

Wellington Street

Cheltenham

Gloucestershire GL50 1YD

Registrars

Capita Registrars

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

PROVEN LEGACY PLC
ANNUAL REPORT AND ACCOUNTS
For the year ended 30 June 2018

CHAIRMAN'S STATEMENT

FOR THE YEAR ENDED 30 JUNE 2018

Introduction

I have pleasure in presenting the Annual Report and Accounts for ProVen Legacy plc (the "Company") for the year ended 30 June 2018.

Fundraising activities

The Company launched an offer for subscription on 7 August 2017 (the "2017 Offer"). The 2017 Offer closed after the year-end, on 6 August 2018, having raised gross proceeds of £933,000, £823,000 of which was allotted during the year.

Results

The net profit for the year ended 30 June 2018 was £93,806 (2017: Net loss of £91,392), which included one-off set up costs reimbursed by Beringea of £50,000. This amount will become repayable to Beringea LLP if and when the Company's revenue reserves reach £100,000.

Lending activity

At 30 June 2018, the Company had advanced six loans, with four borrowers, totalling £2,000,000 and received capital repayments of £564,582.

The first loan facility of £250,000 was signed in March 2017 with Celoxica Limited and is repayable over two years.

The second loan facility of £500,000 was signed in April 2017 with Cogora Group Limited and was available to drawdown in two tranches. The first tranche of £250,000 was drawn down in April 2017, the second tranche was drawn down in May 2017. Each tranche is repayable over three years. In February 2018, Cogora drew down two further tranches for £125,000 each, one of which was repaid in full in May 2018.

In October 2017, a £500,000 loan facility was agreed with Think Limited and was available for drawdown in two tranches. One tranche of £250,000 was drawn in October 2017 and the other £250,000 was drawn in January 2018.

In March 2018, a facility of up to £2,000,000 was agreed with Edesix Limited. At 30 June 2018, £500,000 had been drawn down and the remaining amount is available to draw down subject to certain conditions being met.

Annual General Meeting

The Company's AGM will be held at 39 Earlham Street, London, WC2H 9LT on Tuesday 18 September at 2.30 p.m.

Post balance sheet events

In June 2018, the Company committed to lend Cogora Group Limited a further £125,000 and an amount of £125,000 was advanced on 12 July 2018.

On 3 August 2018, the Company issues 105,600 Redeemable Growth Shares at an average price of 104.2p per share, with an aggregate nominal value of £1,056. The aggregate consideration for the shares was £110,000, which excluded share issue costs of £4,400.

Other than the matters described above, there were no material events during the period from 1 July 2018 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 under any future Offers for Subscription launched by the Company.

Jamie Perkins

Chairman
20 August 2018

BOARD OF DIRECTORS

FOR THE YEAR ENDED 30 JUNE 2018

Jamie Perkins (Chairman)

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 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 major 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 2018

The Directors present the Strategic Report for the year ended to 30 June 2018. The Board prepared this report in accordance with the Companies Act 2006 (Strategic Report and Directors' Reports) Regulations 2013.

Principal activities and status

The Company was incorporated and registered in England and Wales on 24 February 2016. 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;
 - Renewables 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 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 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 loans to four underlying borrowers. The performance of the Company is therefore heavily dependent on the performance of these four underlying borrowers, namely Celoxica Limited, Cogora Group Limited, Edesix Limited and Think Limited. As noted above, active monitoring of the borrowers is undertaken by the Lending Adviser and as further loans are advanced, it is expected that this concentration risk will be reduced.

Risks relating to taxation

The Directors intend to operate the Company with a view to ensuring that a subscription for shares in the Company will offer shareholders Business Property Relief from Inheritance Tax, 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 developments, and specifically Business Property Relief, and will reflect these developments, where applicable, in the activities of the Company.

The Company's principal financial risks for the year ended 30 June 2018 are detailed in note 11 on pages 25 and 26.

Business review and future developments

The Company's business review and future developments are set out in the Chairman's Statement on pages 3 and 4.

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.

The Net Asset Value per Growth Share at 30 June 2018 was 100.2p, representing an increase of 9.8p since the Net Asset Value per Growth Share at 30 June 2017.

The Net Asset Value per Income Share at 30 June 2018 was 100.2p, representing an increase of 9.8p since the Net Asset Value per Growth Share at 30 June 2017.

As at 30 June 2018, all scheduled loan repayments had been received by the Company.

By order of the Board

Jamie Perkins

Chairman

20 August 2018

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2018

The Directors present the Annual Report and Accounts of the Company for the year ended 30 June 2018.

Results and dividends

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

No dividends were payable for the period.

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 2018 is set out in note 8 of these accounts on pages 22 to 24.

During the year, 681,980 Redeemable Growth Shares were issued at an average price of £1.00 per Redeemable Growth Share, with an aggregate consideration of £681,980 which excluded share issue costs of £31,020. 110,000 Redeemable Income Shares were issued at an average price of £1.00 per Redeemable Income Share, with an aggregate consideration of £110,000.

During the year, 10,000 Redeemable Income Shares were redeemed at an average price of £0.96 per share, with an aggregate consideration of £9,563.

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

A resolution to re-appoint BDO LLP as the Company's auditor will be proposed at the forthcoming AGM. BDO LLP has expressed its willingness to continue in office.

Annual General Meeting

The Company's AGM will be held at 39 Earlham Street, London, WC2H 9LT on Tuesday 18 September at 2.30 p.m.

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;
- 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

Jamie Perkins

Chairman

20 August 2018

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF PROVEN LEGACY PLC

FOR THE YEAR ENDED 30 JUNE 2018

Opinion

We have audited the financial statements of ProVen Legacy plc ("the Company") for the year ended 30 June 2018 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 2018 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the Directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the Company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. 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.

In connection with our audit of the financial statements, 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. 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 the 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 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 Statement of Directors' responsibilities, 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.

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 auditor's 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.

A further description of our responsibilities for the audit of the financial statements is located at the Financial Reporting Council's website at:

<https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's 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 auditor's 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.

Peter Smith (Senior Statutory Auditor)

For and on behalf of BDO LLP, statutory auditor
London, United Kingdom

Date 20 August 2018

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

PROVEN LEGACY PLC

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 30 JUNE 2018

		Year ended 30 June 2018 £	For the period 24 February 2016 to 30 June 2017 £
	Note		
Loan interest income	2	99,547	7,712
Other income	2	20,000	–
Operating income		119,547	7,712
Administrative expenses	3	(24,873)	(99,138)
Operating profit/(loss)		94,674	(91,426)
Interest income		179	282
Bank charges		(481)	(248)
Profit/(loss) on ordinary activities before taxation		94,372	(91,392)
Taxation	4	(566)	–
Profit/(loss) on ordinary activities after taxation		93,806	(91,392)

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 27 form part of these financial statements.

PROVEN LEGACY PLC

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2018

	Note	As at 30 June 2018 £	As at 30 June 2017 £
<i>Fixed Assets</i>			
Loans	11	1,435,418	696,462
<i>Current assets</i>			
Debtors	5	11,368	4,148
Cash at bank and in hand		358,938	189,485
Creditors – amounts falling due within one year	6	(71,641)	(32,235)
Net current assets		298,665	161,398
Total assets less current liabilities		1,734,083	857,860
Capital and reserves			
Called up share capital	8	17,315	9,495
Share premium		1,714,354	939,757
Revenue reserves		2,414	(91,392)
Total equity shareholders' funds		1,734,083	857,860
Net Asset Value per Redeemable Growth Share	9	100.2p	90.4p
Net Asset Value per Redeemable Income Share	9	100.2p	90.4p

The notes set out on pages 18 to 27 form part of these financial statements.

Jamie Perkins

Chairman

ProVen Legacy plc

Company number: 10024220

20 August 2018

PROVEN LEGACY PLC

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30 JUNE 2018

	Note	Called up share capital £	Share premium £	Revenue reserve £	Total £
For the year ended 30 June 2018					
At 1 July 2017		9,495	939,757	(91,392)	857,860
Issue of new shares in the period		7,920	815,080	–	823,000
Share issue costs	10	–	(31,020)	–	(31,020)
Redemption of shares		(100)	(9,463)	–	(9,563)
Total comprehensive income		–	–	93,806	93,806
At 30 June 2018		17,315	1,714,354	2,414	1,734,083
Period from 24 February 2016 to 30 June 2017					
At 24 February 2016		–	–	–	–
Issue of new shares in the period		59,495	940,507	–	1,000,002
Share issue costs		–	(750)	–	(750)
Redemption of shares		(50,000)	–	–	(50,000)
Total comprehensive loss		–	–	(91,392)	(91,392)
At 30 June 2017		9,495	939,757	(91,392)	857,860

The notes set out on pages 18 to 27 form part of these financial statements.

PROVEN LEGACY PLC

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30 JUNE 2018

	Year ended 30 June 2018 £	For the period 24 February 2016 to 30 June 2017 £
Profit/(loss) on ordinary activities after taxation	93,806	(91,392)
Loans advanced	(1,250,000)	(750,000)
Capital loan repayments received	511,044	53,538
Increase in debtors	(7,220)	(4,148)
Increase in creditors	39,406	32,235
Net cash used in operating activities	(612,964)	(759,767)
Cash flows from investing activities	–	–
Cash flows from financing activities		
Proceeds from share issue	823,000	1,000,002
Share issue costs	(31,020)	(750)
Shares redeemed	(9,563)	(50,000)
Net cash from financing	782,417	949,252
Increase in cash and cash equivalents	169,453	189,485
Cash at beginning of period	189,485	–
Net cash inflow for the period	169,453	189,485
Cash at end of period	358,938	189,485

Included in profit/(loss) on ordinary activities after taxation was interest received of £179 (2017: £282).

The notes set out on pages 18 to 27 form part of these financial statements.

PROVEN LEGACY PLC

NOTES TO THE FINANCIAL STATEMENTS

1) Accounting policies

The Company has prepared its financial statements under Financial Reporting Standard 102 ("FRS102").

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 interest 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.

Provisions and contingent liabilities

A provision is recognised when the Company has a legal or constructive obligation as a result of a past event and it is probable that an outflow of economic benefits will be required to settle the obligation.

A contingent liability is recognised where the obligation is possible or where the outflow cannot be measured reliably.

Cash at bank and in hand

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

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 for cancellation.

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

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

2) Revenue

	Year ended 30 June 2018 £	For the period 24 February 2016 to 30 June 2017 £
Loan interest income	99,547	7,712
Other income	20,000	–

Other income comprises £12,500 of income recognised in relation to loans that did not proceed to completion, £5,000 of arrangement fees on loans arranged by the Company and £2,500 of covenant amendment fees.

3) Administrative expenses

Included within administrative expenses are the following:

	Note	Year ended 30 June 2018 £	For the period 24 February 2016 to 30 June 2017 £
(Set up costs reimbursed)/set up costs	10	(50,000)	50,000
Directors' remuneration		20,000	21,616
Social security costs on Directors' remuneration		507	183
Auditor's remuneration for statutory audit ¹		7,500	7,500
Auditor's remuneration – tax compliance		3,075	3,075

1 In addition to the auditor's remuneration payable by the Company set out in the table above, Beringea LLP has agreed to pay audit costs of £2,500 on behalf of the Company.

Directors' remuneration

Since 3 June 2016, Jamie Perkins and Robin Chamberlayne were 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.

4) Tax on ordinary activities

	Year ended 30 June 2018 £	For the period 24 February 2016 to 30 June 2017 £
Profit/(loss) on ordinary activities before taxation	94,372	(91,392)
Tax charge at the applicable rate of 19.00% (2017: 19.82%)	17,931	(18,110)
<i>Effects of:</i>		
Expenses not deductible for tax purposes	(7,223)	8,467
Deferred tax asset not recognised	(10,142)	9,643
Corporation tax charge	566	–

5) Debtors

	As at 30 June 2018 £	As at 30 June 2017 £
Accrued interest	7,220	–
Prepayments	4,148	4,148
Total	11,368	4,148

6) Creditors

	As at 30 June 2018 £	As at 30 June 2017 £
Loan receipts received in advance	34,875	12,500
Accruals	31,699	17,860
Commitment deposit	2,500	–
Social security and taxes payable	2,001	1,625
Taxation payable	566	
Promoters fees payable	–	250
Total	71,641	32,235

7) Contingencies, Guarantees and Financial Commitments

In the prior period, £50,000 of set up costs were paid by the Company to Beringea LLP under the terms of the Offer for Subscription dated 3 June 2016. During the current year, this amount was reimbursed to the Company by Beringea LLP. The £50,000 will become re-payable to Beringea LLP if and when the Company's revenue reserves reach £100,000. At 30 June 2018, no provision has been made for the repayment of these set up costs to Beringea LLP.

In March 2018, a facility of up to £2,000,000 was agreed with Edesix Limited. At 30 June 2018, £500,000 had been drawn down and the remaining amount is available to draw down subject to certain conditions being met.

In June 2018, the Company committed to lend Cogora Group Limited a further £125,000 and an amount of £125,000 was advanced on 12 July 2018.

At 30 June 2018, the Company had no other contingent liabilities, guarantees and financial commitments.

8) Share capital

Issued, allotted, called up and fully paid:

	Number	30 June 2018 Amount £	Number	30 June 2017 Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	1,451,230	14,513	769,250	7,693
Redeemable Income Shares of £0.01 each	280,000	2,800	180,000	1,800
Total		17,315		9,495

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 2017	769,250	7,693	180,000	1,800	2	2
Issued in the period	681,980	6,820	110,000	1,100	–	–
Redeemed in the period	–	–	(10,000)	(100)	–	–
As at 30 June 2018	1,451,230	14,513	280,000	2,800	2	2

During the year, 681,980 Redeemable Growth Shares were issued at an average price of £1.00 per Redeemable Growth Share, with an aggregate consideration of £681,980 which excluded share issue costs of £31,020. 110,000 Redeemable Income Shares were issued at an average price of £1.00 per Redeemable Income Share, with an aggregate consideration of £110,000.

Under the terms of the Offer for Subscription dated 3 June 2016 ("2016 Offer") and the Offer for Subscription dated 7 August 2017 ("2017 Offer"), Shareholders have the ability to redeem shares in accordance with the terms and conditions set out in the 2016 Offer and 2017 Offer. During the year, 10,000 Redeemable Income Shares were redeemed at an average price of £0.96 per Redeemable Income Share. This represented 5.6% of the Redeemable Income Shares at the start of the year.

Share Rights

Ordinary Shares

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

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.

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 2017

	Total	Redeemable Growth Shares	Redeemable Income Shares	Ordinary Shares
Shares in issue at 30 June 2017	949,252	769,250	180,000	2
Net assets	857,860	695,188	162,670	2
Net asset value per share		90.4p	90.4p	100.0p

At 30 June 2018

	Total	Redeemable Growth Shares	Redeemable Income Shares	Ordinary Shares
Shares in issue at 30 June 2018	1,731,232	1,451,230	280,000	2
Net assets	1,734,083	1,453,620	280,461	2
Net asset value per share		100.2p	100.2p	100.0p

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 LLP was the Company's Lending Adviser and Administration Manager during the period.

During the year from 1 July 2017 to 30 June 2018, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £25,667. A total of £6,000 remained outstanding at 30 June 2018 in respect of administration fees.

No fees were paid to Beringea LLP in its capacity as Lending Adviser.

In the prior period, £50,000 of set up costs were paid by the Company to Beringea LLP under the terms of the Offer for Subscription dated 3 June 2016. During the current year, this amount was reimbursed to the Company by Beringea LLP. The £50,000 will become re-payable to Beringea LLP if and when the Company's revenue reserves reach £100,000.

Beringea LLP also acted as promoter for the offer for subscription dated 7 August 2017. The promoter's fees in the period amounted to £31,020, out of which Beringea LLP paid certain costs of the offer as well as initial commissions.

Beringea also received arrangement fees in respect of loans extended by the Company totalling £32,500 (2017: £7,500) and monitoring fees of £7,500 (2017: £nil). 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.

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 both Standard and Poor's and Fitch, and ultimately part-owned by the UK Government. Consequently, the Directors consider that the risk profile associated with cash is low.

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

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

	£
Cash and cash equivalents	358,938
Loans	1,435,418
	<u>1,794,356</u>

Liquidity risk

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

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

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 2018, 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	916,567	–	–
Receivable/(due) within 1 year	518,851	358,938	71,641
Total	1,435,418	358,938	71,641

12) 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.

13) Post balance sheet events

In June 2018, the Company committed to lend Cogora Group Limited a further £125,000 and an amount of £125,000 was advanced on 12 July 2018.

On 3 August 2018, the Company issued 105,600 Redeemable Growth Shares at an average price of 104.2p per share, with an aggregate nominal value of £1,056. The aggregate consideration for the shares was £110,000, which excluded share issue costs of £4,400.

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

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London WC2H 9LT

Tel: 020 7845 7820

BPR Tax Advisers

Philip Hare & Associates LLP

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High Holborn

London WC1V 7QH

Solicitors to the Company

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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

Part 3 Section C

Capitalisation and indebtedness statement for the Company

The following table shows the Company's unaudited gross indebtedness as at 30 June 2018.

Total current debt (£)	
Guaranteed	nil
Secured	nil
Unguaranteed/unsecured	71,641

Total non-current debt (excluding current position of non current debt) (£)

Guaranteed	nil
Secured	nil
Unguaranteed/unsecured	nil

The following table shows the unaudited capitalisation of the Company as at 30 June 2018.

Shareholders' equity (£)	
Share capital	17,315
Share premium	1,714,354
Other reserves	Nil
	<hr/>
	1,731,669

Note: other reserves do not include profit and loss account reserves.

Since 30 June 2018, the Company issued 105,600 Redeemable Growth Shares at an average price of 104.2p, with an aggregate nominal value of £1,056. The aggregate consideration for the shares was £110,000 which excluded share issue costs of £4,400.

Save for the above, there have been no material changes to the capitalisation of the Company since 30 June 2018.

Part 3 Section D

Certain selected historic financial information of the Company, which has been extracted without material adjustment from the audited statutory financial statements in Part 3 Section A and Part 3 Section B, is set out below:

	<i>For the year ended 30 June 2018</i>	<i>For the period from 24 February 2016 to 30 June 2017</i>
Profit/(loss) on ordinary activities before taxation	£94,372	(£91,392)
Earnings per Ordinary Share	£nil	£nil
Earnings/(loss) per Redeemable Growth Share	7.4p	(9.6p)
Earnings/(loss) per Redeemable Income Share	7.4p	(9.6p)
Dividends per Ordinary Share	Nil	Nil
Dividends per Redeemable Growth Share	Nil	Nil
Dividends per Redeemable Income Share	Nil	Nil
Net Assets	£1,734,648	£857,860
Net Asset Value per Ordinary Share	100.0p	100.0p
Net Asset Value per Redeemable Growth Share	100.2p	90.4p
Net Asset Value per Redeemable Income Share	100.2p	90.4p

In June 2018, the Company committed to lend Cogora Group Limited a further £125,000 and an amount of £125,000 was advanced on 12 July 2018.

On 3 August 2018, the Company issues 105,600 Redeemable Growth Shares at an average price of 104.2p per share, with an aggregate nominal value of £1,056. The aggregate consideration for the shares was £110,000, which excluded share issue costs of £4,400.

Save in respect of these matters, there have been no significant changes in the financial condition and operating results of the Company during or subsequent to the period covered by the historical information set out above.

PART 4: THE OFFER

The Offer

The Company is proposing to raise up to £20,000,000, before expenses, through the Offer of New Shares to be undertaken by the Promoter as agent for the Company. The number of New Shares to be allotted to each Investor under the Offer will be calculated using the Pricing Formula set out on page 25.

The total net proceeds of the Offer will depend on the level of subscriptions. If the full Gross Proceeds are received, the total net proceeds are expected to be £18,900,000, assuming total Promoter's Fees of 5.5% of the Gross Proceeds. The actual net proceeds may be lower than this amount. The total expenses of the Offer, payable by the Company, comprise the Promoter's Fees of between up to 4% and up to 5.5% of the Gross Proceeds raised.

The latest time for receipt of Applications under the Offer is 1.00 p.m. on 20 August 2019.

Applications under the Offer must be for a minimum subscription amount of £10,000 inclusive of Adviser Charge (where applicable) and multiples of £5,000 for New Shares. Applicants under the Offer who confirm their agreement to purchase New Shares under the Offer will be bound by the terms and conditions set out under the section headed "Terms and Conditions of Application".

The maximum number of New Shares to be issued under the Offer is 20,000,000.

To enable the allotment of New Shares under the Offer, the Directors will utilise certain shareholder authorities obtained at the Annual General Meeting held on 19 September 2017.

New Shares will be allotted and issued to Applicants with valid Application Forms, who have complied with the Terms and Conditions of Application. Allotments made in relation to Applications will be made ordinarily in the month following the end of the month of receipt and acceptance of applications.

The Offer is not being underwritten.

General

All Applications for New Shares will be payable in full by cheque, bankers draft or BACS transfer on Application. Definitive certificates in respect of New Shares in certificated form are expected to be dispatched by post within 15 business days of the relevant allotment. Temporary documents of title will not be issued.

Pursuant to anti-money laundering laws and regulations with which the Company must comply in the UK, the Company and its agents and/or the Registrar or the Receiving Agent may require evidence in connection with any Application for New Shares, including further identification of the Applicant(s), before any New Shares are issued.

Settlement

Payment for New Shares should be made in accordance with settlement instructions in the Terms and Conditions of Application at the end of this Prospectus. To the extent that any Application is rejected in whole or in part, monies received will be returned without interest at the risk of the Applicant.

Overseas Persons

The attention of potential Shareholders who are not resident in, or who are not citizens of, the United Kingdom is drawn to the paragraphs below.

The offer of New Shares under the Offer to Overseas Persons may be affected by the laws of the relevant jurisdictions. Such persons should consult their professional advisers as to whether they require any government or other consents or need to observe any applicable legal requirements to enable them to subscribe for New Shares under the Offer. It is the responsibility of all Overseas Persons receiving this Prospectus and/or wishing to subscribe for New Shares under the Offer to satisfy themselves as to full observance of the laws of the relevant territory in connection therewith, including obtaining all necessary governmental or other consents that may be required and observing all other formalities needing to be observed and paying any issue, transfer or other taxes due in such territory.

No person receiving a copy of this Prospectus in any territory other than the United Kingdom may treat the same as constituting an offer or invitation to them, unless in the relevant territory such an offer can lawfully be made to them without compliance with any further registration or other legal requirements.

Persons (including, without limitation, nominees and trustees) receiving this Prospectus should not distribute or send it to any US Person or in or into the United States of America or any other jurisdiction where to do so would or might contravene local securities laws or regulations.

The Company reserves the right to treat as invalid any agreement to subscribe for New Shares under the Offer if it appears to the Company or its agents to have been entered into in a manner that may involve a breach of the securities legislation of any jurisdiction.

PART 5: TAXATION

The following statements are by way of a general guide to potential Shareholders only and do not constitute legal or tax advice. Potential Shareholders are therefore advised to consult their professional advisers concerning possible taxation or other consequences of purchasing, holding, selling or otherwise disposing of Shares under the laws of their countries of incorporation, establishment, citizenship, residence or domicile. Prospective Shareholders should be aware that the relevant law and practice or their interpretation may change, possibly with retrospective effect. The following summary of the anticipated tax treatment is not a guarantee to any Shareholder of the tax consequences from subscribing for Shares in the Company.

United Kingdom

The following summary, which should be read as a whole, is intended only as a general guide to certain aspects of current UK tax law and HMRC practice as at the date of this document and applies only to certain Shareholders resident and domiciled for tax purposes in the UK and who hold their Shares beneficially and as an investment. This summary does not constitute legal or tax advice. It does not apply to particular classes of Shareholder, such as: (i) Shareholders who are taxable in the UK on a remittance basis; (ii) Shareholders who are subject to special tax rules such as banks, financial institutions, broker-dealers, insurance companies, trustees of certain trusts and investment companies; (iii) Shareholders subject to mark-to-market treatment; (iv) Shareholders who hold Shares in connection with a trade, profession or vocation carried out in the UK (whether through a branch, agency or otherwise); (v) Shareholders who hold Shares as part of hedging or commercial transactions; (vi) Shareholders who receive their Shares by exercising employee share options or otherwise as compensation or persons who have acquired or who are deemed to have acquired their Shares by virtue of any office or employment; or (vii) Shareholders who are not resident and not domiciled in the UK for tax purposes.

This summary does not purport to be a complete analysis or listing of all the potential UK tax consequences of acquiring, disposing of, or holding Shares. In particular, future legislative, judicial or administrative changes or interpretations could alter or modify the tax treatment set forth below and these changes or interpretations could be retroactive and could affect the tax consequences of the Offer or the treatment of any acquisition, holding or disposal of Shares for Shareholders. None of the Company or the Lending Adviser or any of their officers, directors, members, employees, advisers or agents can be held responsible in this regard. Prospective subscribers are advised to consult their own professional advisers on the implications of the acquisition, ownership and disposition of Shares both under UK law and under the laws of any other jurisdictions in which they may be liable to taxation.

Shareholders Inheritance Tax (IHT)

The Shares will be an asset in a Shareholder's estate and exposed to IHT at the prevailing rate (currently 40%) to the extent that the Shares do not fully or wholly qualify for Business Property Relief.

Business Property Relief (BPR)

BPR works by reducing the value of an individual's estate for IHT purposes. The main requirements for BPR in relation to the Shares are that the Shareholder has owned the Shares for at least two years at the time of disposal or death, the Shares are unquoted and that the business of the Company is a qualifying business for BPR. This requires the Company and/or its subsidiaries to be one which will not be wholly or mainly dealing in securities, stocks or shares, land or buildings or making or holding investments.

If the business of the Company and/or its subsidiaries is a qualifying business for BPR, excepted assets can reduce the relief to the extent that assets have not been used for the purpose of the business and are not required for the future use of the business.

If a Shareholder holds the Shares for fewer than two years so that they do not qualify for BPR in their own right, but the Shareholder has previously held other assets qualifying for BPR, it may be possible to aggregate the combined ownership period in order to qualify for BPR on the Shares if the combined ownership covers at least two years out of the previous five years. The BPR available would be limited to that which would have been available on the previously owned asset and the proceeds from the previously owned asset must be fully reinvested in the Shares.

The Directors intend to manage the Company's affairs in order that shareholdings in the Company qualify for full relief from IHT through BPR.

Dividends

Dividends may be subject to income tax on the amount received depending on the level of the relevant Shareholder's income. With effect from 6 April 2016 the 10% tax credit on dividends was abolished and replaced with an annual dividend allowance (the dividend nil rate ('DNR')). The DNR charges income tax at 0% on the first £2,000 of an individual's dividend income which would be chargeable to tax but for the DNR. Chargeable dividend income above the DNR is chargeable to tax at basic rate (7.5%), higher rate (32.5%) or additional rate (38.1%) dependent upon the tax rate which applies to the individual Shareholder's income.

No UK taxation will be withheld at source from dividend payments made by the Company to its Shareholders and Shareholders should declare their dividends received from the Shares to the relevant tax authorities if appropriate.

Disposals of shares — capital gains tax and income tax

Shareholders who are resident in the UK are liable to capital gains tax on any gain when they sell their Shares to third parties. The rate of capital gains tax is currently 10% or 20% depending on the individual Shareholder's level of income.

If sold by their executors after their death there is a flat rate of 20% but in calculating the gain there is a tax free uplift in the base cost of the Shares to the market value at the time of the Shareholder's death. Any gain may also be reduced by the annual capital gains tax exemption available to a Shareholder's executors. If, rather than the Shares being redeemed by the Company, the Shares are sold to a new Shareholder under the matched bargain service described at page 53, then the amount received on disposal over and above the price paid by the Shareholder for those Shares will be subject to capital gains tax (subject to available exemptions and reliefs).

If the Shares are redeemed by the Company, the redemption amount paid above the subscription price paid by the original subscriber of those Shares may be subject to income tax instead of capital gains tax.

Stamp duty and stamp duty reserve tax (SDRT)

The following comments are intended as a guide to the general UK stamp duty and SDRT position and (except insofar as expressly referred to below) do not relate to persons such as market makers, brokers, dealers, intermediaries, persons connected with deposit receipt arrangements or clearance services or persons who enter into sale and repurchase transactions in respect of the Shares, to whom special rules apply.

No United Kingdom stamp duty or SDRT will be payable on the issue of the New Shares direct to persons acquiring those New Shares pursuant to the Offer.

United Kingdom stamp duty or SDRT will be payable on a transfer of, or agreement to transfer, Shares. This is normally at a rate of 0.5% of the consideration, rounded up in the case of stamp duty to the nearest £5.

The liability to pay stamp duty is generally satisfied by the purchaser or transferee, while SDRT is generally a liability of the purchaser or transferee.

PART 6: ADDITIONAL INFORMATION

1. Responsibility

The Directors, whose names and functions appear on page 15 of this document, and the Company, whose registered office appears on page 15 of this document, accept responsibility for the information contained in this document. To the best of the knowledge and belief of the Directors and the Company (who have taken all reasonable care to ensure that such is the case) the information contained in this document is in accordance with the facts and does not omit anything likely to affect the import of such information.

2. The Company

- 2.1. The Company was incorporated and registered in England and Wales on 24 February 2016 under the name ProVen Legacy plc with registered number 10024220 as a public company limited by shares under the Act. The principal legislation under which the Company operates is the Act.
- 2.2. On 31 May 2016 the Registrar of Companies issued the Company with a certificate under section 761 of the Act.
- 2.3. As at the date of this prospectus, the Company has no employees.

3. Share Capital of the Company

- 3.1. The Company was incorporated with two Ordinary Shares of £1 each issued fully paid. Those Ordinary Shares are held by Beringea LLP.
- 3.2. On 24 May 2016, 50,000 Redeemable Preference Shares of £1 each were issued, each of which was issued at a subscription price of £1 per share and each of which was paid up as to one quarter of its nominal value. Such shares were held by Beringea LLP. As originally envisaged, the Redeemable Preference Shares were fully paid up on 9 May 2017 and then redeemed at par on 9 May 2017 out of the proceeds of the 2016 Offer.
- 3.3. Since the date of the Company's incorporation, save for the 50,000 Redeemable Preference Shares of £1 each that were issued on 24 May 2016 and which have since been redeemed, £18.470 of share capital of the Company has been issued and of that issued share capital, Redeemable Income Shares with a nominal value of £100 have been redeemed. No other share or loan capital of the Company or any subsidiary has been issued or agreed to be issued, or (except pursuant to the Offer) is now proposed to be issued, for cash or any other consideration and no commissions, discounts, brokerages, or other special terms have been granted by either the Company or any subsidiary, in connection with the issue or sale of any such capital.
- 3.4. No share or loan capital of the Company is under option or has been agreed conditionally or unconditionally to be put under option.

3.5. Shares will be allotted and issued pursuant to resolutions passed at the Company's Annual General Meeting held on 19 September 2017 and pursuant to further resolutions of the Shareholders and Directors as necessary from time to time.

3.6. Shares allotted pursuant to the Offer will dilute the percentage shareholdings of existing Shareholders. The extent of that dilution will depend upon the number of New Shares allotted pursuant to the Offer.

3.7. As at 20 August 2018 (being the latest practicable date prior to the publication of this document), the Company is not aware of any person who, directly or indirectly, has an interest in the Company's capital or voting rights which is notifiable under the Company's national law.

4. Articles of Association

4.1. The articles of association of the Company which were adopted on 24 May 2016 contain, amongst other things, provisions to the following effect:

4.1.1. Objects

That the Company's objects are unrestricted. The liability of the Company's members is limited.

4.1.2. Issue of Shares

Subject to the provisions of the Act relating to authority and to the terms of any resolution of the Company in general meeting passed pursuant thereto, all unissued shares in the capital of the Company shall be at the disposal of the Directors and they may allot (with or without conferring a right of renunciation), grant options over or otherwise dispose of them to such persons, at such times and on such terms as they think proper. In exercising such authority, the Directors may allot Shares in the Company as if Section 561(1) of the Act (which confers on Shareholders rights of pre-emption in respect of the allotment of equity securities which are, or are to be, paid up in cash) did not apply to any such allotment.

4.1.3. Voting Rights

Subject to any disenfranchisement provided for in the Articles and subject to any special terms as to voting on which any Shares may be issued, on a show of hands every holder of Shares present in person or by proxy (or, being a corporation present by a duly authorised representative) shall have one vote and, on a poll, every such holder present in person or by proxy shall have one vote for every Share of which he is the holder, save that the holders of Growth Shares shall have no right to

vote upon any resolution concerning the payment or declaration of a dividend on Income Shares.

4.1.4. Rights attaching to the Redeemable Growth Shares

The Redeemable Growth Shares carry no right to receive a dividend from the profits of the Company. In respect of any period, the aggregate of the revenue profits of the Company attributable to the Redeemable Growth Shares (after accounting for a reasonable allocation of costs attributable to the Redeemable Growth Shares) 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 to the Net Asset Value of the Redeemable Growth Shares.

The Redeemable Growth Shares are redeemable by the Company at a discount of 1% to the Net Asset Value per Growth Share subject to the relevant election to redeem. Such redemptions may take place as at either 30 June or 31 December (or on such other date as the Directors may determine) in any year subject always to the holder of such Redeemable Growth Shares having given notice before the end of the calendar month prior to the relevant redemption date of his wish to have Redeemable Growth Shares redeemed, and always subject to the Directors' discretion, applicable law and regulation and there being sufficient liquidity. Each Redeemable Growth Share which is redeemed may thereafter be cancelled.

On a winding up or on a return of capital (otherwise than on a redemption), 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 (being such percentage share of the Net Asset Value as shall be attributable to the Redeemable Growth Shares), pro rata to their respective holdings of Redeemable Growth Shares.

4.1.5. Rights attaching to the Redeemable Income Shares

In respect of any period, the aggregate of the revenue profits of the Company attributable to the Redeemable Income Shares (after accounting for a reasonable allocation of costs attributable to the Redeemable Income Shares) 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 attributable to the Redeemable Income Shares 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.

The Redeemable Income Shares are redeemable by the Company at a discount of 1% to the Net Asset Value per Income Share subject to the relevant election to redeem. Such redemptions may take place as at either 30 June or 31 December (or on such other

date as the Directors may determine) in any year subject always to the holder of such Redeemable Income Shares having given notice before the end of the calendar month prior to the relevant redemption date of his or her wish to have Redeemable Income Shares redeemed and always subject to the Directors' discretion, applicable law and regulation and there being sufficient liquidity. Each Redeemable Income Share which is redeemed may, thereafter, be cancelled.

On a winding up or on a return of capital (otherwise than on a redemption), 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 (being such percentage share of the Net Asset Value as shall be attributable to the Redeemable Income Shares), pro rata to their respective holdings of Redeemable Income Shares.

4.1.6. Rights attaching to the Ordinary Shares

Each of the Ordinary Shares carry the rights to such dividend as may be declared by the Company in general meeting. Subject to the provisions of the Articles, each Ordinary Share carries the right for the holder thereof to attend and vote at general meetings and to one vote per share. On a winding up of the Company, the holders of the Ordinary Shares shall be entitled to payment out of the surplus assets of the Company the nominal amount paid up thereon.

4.1.7. Transfers of New Shares

The New Shares are in registered form and are freely transferable. All transfers of New Shares must be effected by a transfer in writing in any usual form or any other form approved by the Directors. The instrument of transfer of a share shall be executed by or on behalf of the transferor and, in the case of a partly paid share, by or on behalf of the transferee. The Directors may refuse to register any transfer of a partly paid share and may also refuse to register any instrument of transfer unless:

4.1.7.1. it is duly stamped (if so required), is lodged with the Company's Registrar or at such other place as the Directors may appoint and is accompanied by the certificate for the New Shares to which it relates and such other evidence as the Directors may reasonably require to show the right of the transferor to make the transfer;

4.1.7.2. it is in respect of only one class of share;

4.1.7.3. the transferees do not exceed four in number; and

4.1.7.4. it does not relate to any New Shares in respect of which the Company has a lien.

- 4.1.8. Variation of rights
- Whenever the shares of the Company are divided into different classes, all or any of the rights at the relevant time attached to any share or class of shares (and notwithstanding that the Company may be, or may be about to be, in liquidation) may be varied or abrogated either with the consent in writing of the holders of not less than three-quarters in number of the issued shares of the class, or with the sanction of a special resolution of the holders of the shares of the relevant class. The quorum at any separate general meeting of the holders of the relevant class (other than an adjourned meeting) shall be two persons holding or representing by proxy at least one third of the nominal amount paid up on the issued shares of the class.
- 4.1.9. Dividends
- 4.1.9.1. The Company may in general meeting by ordinary resolution declare dividends in accordance with the respective rights of the members, provided that no dividend shall be payable in excess of the amount recommended by the Directors. The Directors may pay such interim dividends as appear to them to be justified. No dividend or other monies payable in respect of a Share shall bear interest as against the Company. There are no fixed dates on which entitlement to a dividend arises.
- 4.1.9.2. All dividends unclaimed for a period of twelve years after being declared or becoming due for payment shall be forfeited and shall revert to the Company.
- 4.1.10. Changes in Share Capital
- 4.1.10.1. The Company may from time to time by ordinary resolution:
- 4.1.10.1.1. increase its share capital by such sum to be divided into Shares of such amounts as the resolution shall prescribe;
- 4.1.10.1.2. consolidate and divide all or any of its share capital into Shares of a larger amount than its existing Shares; and
- 4.1.10.1.3. diminish the amount of its capital by the nominal amount of the Shares so cancelled.
- 4.1.10.2. Subject to the provisions of the Act, the Company may by special resolution:
- 4.1.10.2.1. purchase any of its own Shares (including any redeemable shares);
- 4.1.10.2.2. reduce its share capital or any capital redemption reserve, share premium account or other undistributable reserve in any manner; or
- 4.1.10.2.3. sub-divide its Shares, or any of them, into Shares of a smaller nominal amount (subject, nevertheless, to the provisions of the Act) and by the same resolution may confer special rights on any of the Shares resulting from the sub-division.
- 4.1.11. Directors
- 4.1.11.1. Unless and until otherwise determined by the Company in General Meeting the number of Directors shall not be less than two nor more than ten. The continuing Directors may act notwithstanding any vacancy in their body, provided that if the number of the Directors be less than the prescribed minimum the remaining Director or Directors shall forthwith appoint an additional Director or additional Directors to make up such minimum or shall convene a General Meeting of the Company for the purpose of making such appointment.
- 4.1.11.2. A Director of the Company may continue or become a director or other officer, servant or shareholder of any company promoted by the Company or in which it may be interested and no such Director shall be accountable for any remuneration or other benefits derived as director or other officer, servant or shareholder of such company.
- 4.1.11.3. The Directors may from time to time provide for the management and transaction of the affairs of the Company in any specified locality, whether at home or abroad, in such manner as they think fit.
- 4.1.12. Directors' Interests
- 4.1.12.1. A Director who is in any way, directly or indirectly, interested in a transaction or arrangement with the Company shall, at a meeting of the Directors, declare, in accordance with the Act, the nature of his interest.
- 4.1.12.2. When proposals are under consideration concerning the appointment of two or more Directors to offices or employment with the Company or any company in which the Company is interested the proposals may be divided and considered in relation to each Director separately and (if not otherwise precluded from voting) each of the Directors concerned shall be entitled to vote and be counted in the quorum in respect of each resolution except that concerning his own appointment.

4.1.13. Remuneration of Directors

The fees and remuneration of the Directors shall be such amount as the Directors shall from time to time determine to be divided among them in such proportion and manner as the Directors may determine. The Directors shall also be paid by the Company all reasonable travelling, hotel and other expenses they may incur in attending meetings of the Directors or general meetings or otherwise in connection with the discharge of their duties.

4.1.14. Borrowing Powers

4.1.14.1. Subject as provided below, the Directors may exercise all the powers of the Company to borrow money and to mortgage or charge its undertaking, property and uncalled capital.

4.1.14.2. The Directors shall restrict the borrowings of the Company and exercise all voting and other rights or powers of control over its subsidiary undertakings (if any) so as to secure that the aggregate amount at any time outstanding in respect of money borrowed by the group, being the Company and its subsidiary undertakings for the time being (excluding intra-group borrowings), shall not without the previous sanction of an ordinary resolution of the Company exceed a sum equal to 10% of the Net Asset Value of the Company.

4.1.15. General Meetings

4.1.15.1. An annual general meeting will be held in each calendar year and will be convened by the Directors.

4.1.15.2. The Directors may convene any other general meeting of the Company.

4.1.15.3. In accordance with the provisions of section 303 of the Companies Act 2006, members representing 10% or more of the paid up voting share capital of the Company may require the Directors to convene a general meeting of the Company.

5. Directors' and Other Interests

5.1. Except as described in this paragraph, as at the date of this Prospectus, none of the Directors, or any person connected with any Director, has any interest in the issued share capital of the Company or any of its subsidiaries whether beneficial or non-beneficial and no Shares in the capital of Company are being reserved for allocation to the Directors or any person connected with any of them. Malcolm Moss is indirectly interested in the Ordinary Shares by virtue of his being a member of Beringea LLP.

5.2. Save in the circumstances described in paragraph 15 below under the heading 'Disclosure of Ownership', no interest in the Company's issued share capital or voting rights is notifiable under the Company's national law.

5.3. All Shareholders have the same voting rights in respect of the share capital of the Company, except as described at paragraph 4.1.3 above in relation to the Redeemable Growth Shares.

5.4. During the five years immediately prior to the date of this document the Directors have been members of the administrative, management or supervising bodies or parties of the UK companies and partnerships specified below (excluding subsidiaries of any company of which he is also a member of the administrative, management or supervisory body):

Current directorships/partnerships

Jamie Perkins

Wrekin Resources Limited
Westminster Wealth Management LLP
Elysian Fuels 7 LLP

Robin Chamberlayne

AEG Solar India Private (UK) Limited
AEI Holdco Limited
AEI Lending Limited
AEI Solar Limited
Alternate Energies Limited
Armstrong Bridging International Limited
Armstrong Capital Management Ltd
Armstrong Energy Global Foundation Ltd
Armstrong Energy Global Limited
Armstrong Energy Income Limited
Armstrong Energy Limited
Armstrong Infrastructure and Property Finance Limited
ASHRI Limited
Carbon Saving Generation Limited
Chamberlayne Farms Limited
Clean Power Generation Limited
Creative Solar Solutions Limited
Cumberland House BPRP Property Fund LLP
Distributed Solar Energy Limited
Downing Planned Exit VCT 2011 PLC
Fulcrum Power Generation Limited
Fulcrum Power Ltd
Future Energy Generation Limited
Gelion UK Limited
Green Electricity Generation Limited
Kingfisher Resorts St Ives Limited
Kingfisher Resorts Studland Limited
Low Carbon Generation and Trading Limited
Moor House BPRP Property Fund LLP
Natems Sugar Holdings (UK) Ltd
Natural Energy Generation Limited
Progressive Energies Limited
Progressive Independent Advisers Limited
Progressive Strategic Solutions LLP
PV Generation Limited
PV Trading Limited
Rasa Bridging Limited
Renewable Energy Generation Limited
Renewable Energy Trading Limited
Renewable Green Power Limited
Sawbridge Solar Limited
Shore 2 Limited
Shore Finance Limited

Tourian Renewables Limited
UK Green Power Generation Limited
UK Solar Projects Limited
UK Wind Energy Generation Limited
Wind Power Generation Limited
Zero Carbon Power Limited

Malcolm Moss

Beringea Limited
Beringea LLC
Beringea LLP
Cogora Group Limited
Disposable Cubicle Curtains Limited
Donatantonio Group Limited
Global Rights Development Limited
GRFII Special Partner (GP) Limited
Litchfield Media Limited
ProVen Acquisition Limited
ProVen Growth and Income VCT plc
ProVen Holdings Limited
ProVen Planned Exit VCT plc (in members' voluntary liquidation)
ProVen Private Equity Limited
ProVen VCT plc
Think Limited

Previous directorships/partnerships

Jamie Perkins

None

Robin Chamberlayne

Apollo Power Limited
Downing FOUR VCT PLC
Downing Planned Exit VCT 2011 PLC
Fiskerton Solar Limited
Hartwell Solar Limited
Industrial Heat Limited
Robin Chamberlayne Limited
Tilling Energy Limited

Malcolm Moss

Lazurite Limited
Overtis Group Limited
Rapid Charge Grid Limited
Vigilant Applications Limited
Watchfinder.co.uk Limited
Chargemaster plc

- 5.5. Except as described in this paragraph, none of the Directors has, or has had, an interest in any transaction which is or was unusual in its nature or conditions or significant to the business of the Company or which has been effected by the Company since its incorporation. Malcolm Moss is indirectly interested in the Offer Agreement, the Lending Adviser Agreement and the Administration Agreement to which the Company is a party and which are summarised in paragraph 12 of this Part 6 by virtue of his being a member of Beringea LLP.
- 5.6. Save as disclosed in paragraph 5, none of the Directors has any conflict of interests between any duties to the Company and his private interests or any other duties.

- 5.7. Save as disclosed in paragraph 5, no Director has for at least the five years immediately prior to the date of this document:
- 5.7.1. any convictions in relation to fraudulent offences;
- 5.7.2. been a director of a company, a member of an administrative, management or supervisory body or a senior manager of a company at the time of any bankruptcy, receivership or liquidation proceedings;
- 5.7.3. been associated with any bankruptcy, receivership or liquidation in which such person acted in the capacity of a member of an administrative, management or supervisory body or senior manager; or
- 5.7.4. been subject to any official public incrimination and/or sanctions by statutory or regulatory authorities (including designated professional bodies) or has been disqualified by a court from acting as a member of the administrative, management or supervisory bodies of an issuer or from acting in the management or conduct of the affairs of any issuer.
- 5.8. The Company maintains directors' and officers' liability insurance on behalf of the Directors at the expense of the Company.
- 5.9. Malcolm Moss was a director of Overtis Group Limited, holding a Board seat in that company as investment director on behalf of funds managed by Beringea LLP, until its dissolution in 2014 following its entering into Administration proceedings.

6. Directors' Appointments

- 6.1. Pursuant to their letters of appointment dated 24 May 2016, the appointment of each Director is terminable on three months' notice by each party. Malcolm Moss is entitled to receive expenses but no remuneration. Jamie Perkins is entitled to remuneration at the rate of £10,000 per annum plus expenses. Once net proceeds from the Offer, the 2017 Offer and the 2016 Offer reach £5,000,000, as from commencement of the next following financial year of the Company, Jamie Perkins' remuneration will rise to £20,000 per annum plus expenses. Robin Chamberlayne is entitled to remuneration at the rate of £10,000 per annum plus expenses. Once net proceeds from the Offer, the 2017 Offer and the 2016 Offer reach £5,000,000, as from commencement of the next following financial year of the Company, Robin Chamberlayne's remuneration will rise to £15,000 per annum plus expenses.
- 6.2. None of the Directors provides his services to the Company pursuant to a service contract with the Company. Their appointments are subject to the terms of their letters of appointment.
- 6.3. Other than the payment of fees during the notice periods set out above, the Directors' letters of appointment provide for no benefits upon termination of their appointment.
- 6.4. There are no arrangements under which any Director has waived or agreed to waive future emoluments nor have there been any such waivers of emoluments during the period immediately preceding the date of this document.

6.5. No remuneration or other benefits in kind has been paid by the Company to any Director since the date of incorporation of the Company.

6.6. The Company has not set aside or accrued amounts to provide pension, retirement or similar benefits for the Directors.

7. Related Party Transactions

Save for the allotment of the Redeemable Preference Shares referred to in paragraph 3.2 of this Part 6, the material contracts referred to in paragraphs 12.1, 12.2 and 12.3 of this Part 6 and the Directors' appointment letters referred to in paragraph 6.1 of this Part 6, the Company has not since the date of incorporation entered into any related party transaction as defined by UK GAAP.

8. Working Capital

The Company is of the opinion that the working capital available to the Company is sufficient for its present requirements that is for at least the next 12 months from the date of this document.

9. No Significant Change

Since 30 June 2018, being the date to which the financial statements set out in Part 3 were prepared, there have been no significant changes in the financial or trading position of the Company, except as disclosed in Note 13 to the financial statements contained in Part 3 Section B of this Prospectus on page 45.

10. Capital Resources

The Company's capital resources derive from the share issues referred to in paragraph 3 of this Part 6, and the repayment of loans advanced from the proceeds of such share issues, and may be supplemented by future borrowing in accordance with the Company's borrowing policy and by the proceeds of the Offer. The Company has, at the date of this Prospectus, raised £1,883,000 from the 2016 Offer and the 2017 Offer.

11. Litigation

There have been no governmental, legal or arbitration proceedings (including any proceedings pending or threatened of which the Company is aware) during the 12 months immediately preceding the date of this document which may have or which have had a significant effect upon the Company's financial position or profitability.

12. Material Contracts

The following contracts (not being contracts entered into in the ordinary course of business) have been entered into by the Company and are, or may be, material to the Company:

12.1. Offer Agreement

The Company is party to an Offer Agreement dated 14 August 2018 with the Promoter. Under the Offer Agreement the Promoter has undertaken as agent of the Company to use its reasonable endeavours to procure subscribers for New Shares. The Promoter is entitled to any interest earned on subscription monies prior to the allotment of New Shares. Under the Offer Agreement, the Company will pay the Promoter the Promoter's

Fee of between up to 4% and a maximum of 5.5% of the Gross Proceeds invested. Out of the Promoter's Fee payable to the Promoter in respect of Execution Only Brokers only, the Promoter shall discharge initial commissions payable to recognised intermediaries in respect of accepted applications for New Shares submitted by them in respect of such commissions payable to such intermediaries in the amounts referred to in the Prospectus.

The Offer Agreement may also be terminated by the parties in certain circumstances, including, inter alia, if any statement in the Prospectus is untrue, any material omission from the Prospectus arises or certain breaches occur.

The Company has given an indemnity to the Promoter against claims and losses suffered by the Promoter as a result of certain acts or omissions of the Company.

12.2. Lending Adviser Agreement

The Company is party to an agreement dated 24 May 2016 with the Lending Adviser whereby the Lending Adviser provides advisory services to the Company to assist it in executing its lending strategy.

The Lending Adviser will receive an annual lending advisory fee, details of which are set out under the heading "Annual Lending Advisory Fee" on page 24 of this document. The Lending Adviser has agreed to reduce its Annual Lending Advisory Fee (if necessary to zero) to contain the Company's total Annual Running Costs to a maximum of 0.5% of the NAV subject to a minimum of £100,000 per annum, or, if lower, the actual Annual Running Costs incurred. The minimum fee is increased annually in line with the increase in RPI during the Company's accounting year, save that in the event that RPI is negative, the minimum fee will not be subject to reduction. For the avoidance of doubt the Lending Adviser will not be responsible for the payment or reimbursement of any costs associated with the management of the Company which are in excess of the Annual Lending Advisory Fee otherwise payable to the Lending Adviser.

Subject to the agreement of the Independent Directors, the Lending Adviser may also be paid arrangement, structuring and/or monitoring fees for any transactions which it has originated and/or advised on for the Company. In certain cases, such fees may be paid directly to the Lending Adviser by the underlying borrowers of the Company or funded from the payment of arrangement, structuring and/or monitoring fees to the Company by such borrowers.

The appointment is for a period of three years from 24 May 2016 and thereafter shall be automatically renewed for consecutive three year periods unless either party gives the other written notice of termination on 12 calendar months' notice. The Lending Adviser shall be entitled to serve such notice of termination at any time. The Company shall only be entitled to serve notice of termination so that it expires at the end of the relevant three year period, provided that it shall have been approved beforehand by holders of 75% or more of the Shares voting (a "Special Majority") at a duly convened general meeting of the Company called for the purpose. If at any such general meeting a Special Majority does not vote in favour of

the applicable resolution, no further resolution shall be proposed for the same purpose for a further 12 month period. The Lending Adviser Agreement is also subject to earlier termination by either party in certain other circumstances.

The Lending Adviser will at all times act as an independent contractor and adviser and nothing in the Lending Adviser Agreement shall entitle the Lending Adviser to act as an agent for or on behalf of the Company.

12.3. Administration Agreement

An agreement dated 24 May 2016 between the Company and Beringea as Administrator, whereby the Administrator provides certain administration services to the Company in respect of the period from 24 May 2016 until the termination of the Administration Agreement with regard to all the assets of the Company, for an annual Administration Fee of 0.7% of the Net Asset Value (subject to a minimum of £20,000 per annum and a maximum of £55,000 per annum, plus VAT if applicable). The minimum and maximum fees are increased annually in line with increases in the RPI applicable during the Company's accounting year, save that, in the event that RPI is negative, the minimum and maximum fees will not be subject to reduction.

The Administration Agreement will continue for a period of three years from 24 May 2016 and thereafter is terminable by either party giving 12 months' written notice, on or after the third anniversary of the agreement, but subject to early termination in certain circumstances. The Administrator shall be entitled to serve such notice of termination at any time. The Company shall only be entitled to serve notice of termination so that it expires at the end of the relevant three year period, provided that it shall have been approved beforehand by holders of 75% or more of the Shares voting (a "Special Majority") at a duly convened general meeting of the Company called for the purpose. If at any such general meeting a Special Majority does not vote in favour of the applicable resolution, no further resolution shall be proposed for the same purpose for a further 12 month period.

12.4. Registrar Agreement

An agreement dated 31 May 2016 between the Company and Link Asset Services ("Link") whereby Link provide certain share registrar services.

Under the terms of the Registrar Agreement, the Registrar will be entitled to payment for its services in accordance with the fees schedule attached to the Registrar Agreement. This comprises an annual fee (which varies according to the amount of members of the Company) and certain other fees for services. The most significant fee is the annual registration charge which is subject to a minimum fee of £2,100 (plus VAT if applicable).

The Registrar Agreement will continue for an initial period of 12 months and thereafter is terminable by either party giving at least three months' notice in writing.

13. Consent

The Lending Adviser has given and not withdrawn its consent to the issue of this document with the inclusion of its name and reference to it in the form and context in which it appears.

14. Mandatory Bids, Squeeze Out and Sell Out Rights Relating to the Shares

14.1. Mandatory bids

The City Code on Takeovers and Mergers (the "City Code") applies to the Company. Under the City Code, when any person acquires, whether by a series of transactions over a period of time or not, an interest in shares which (taken together with shares in which persons acting in concert with him are interested) carry 30% or more of the voting rights of a company, the acquirer and, depending on the circumstances, persons acting in concert with the acquirer ("concert parties"), if any, is required (except with the consent of the Panel on Takeovers and Mergers (the "Panel")) to make a cash offer for shares not already owned by the acquirer or its concert parties (if any) at a price not less than the highest price paid for any interest in shares by it or its concert parties (if any) during the previous 12 months or (where there has been no acquisition of shares of the relevant class) at a comparable price agreed by the Panel.

A similar obligation to make such a mandatory cash offer would also arise when any person, together with persons acting in concert with him, is interested in shares which in the aggregate carry not less than 30% of the voting rights of a company but does not hold shares carrying more than 50% of such voting rights and such person, or any person acting in concert with him, acquires an interest in any other shares which increases the percentage of shares carrying voting rights in which he is interested.

14.2. Squeeze-out rules

Under the Act, if a person (the offeror) who has made a general offer to acquire the shares were to acquire or unconditionally contract to acquire, not less than 90% in value of the shares to which the offer relates, the offeror could then compulsorily acquire the remaining shares. In order to do so, the offeror would have to send a statutory notice to outstanding shareholders within three months of the last day on which the offer can be accepted telling them that the offeror wishes to acquire their shares and send a statutory declaration to the company stating that the conditions for the giving of the notice have been satisfied. Six weeks later, the offeror must send a copy of the statutory notice together with, if the shares are registered, an executed instrument of transfer of the outstanding shares in the offeror's favour to the company and pay the consideration to the Company, as appropriate, which would hold the consideration on trust for outstanding shareholders. The consideration offered to those shareholders whose shares are compulsorily acquired must, in general, be the same as the consideration that was available under the general offer.

14.3. Sell-out rules

The Act gives minority shareholders a right to be bought out in certain circumstances by a person who has made a general offer as described in paragraph 14.2 above. If, at any time before the end of the period within which the general offer can be accepted, the offeror has acquired, or contracted to acquire, shares representing not less than 90% in value of all the voting shares in the company, any shareholder to which the general offer relates who has not accepted the general offer can, by a written communication to the offeror, require it to acquire the shareholder's shares. The offeror is required to give each shareholder notice of his right to be bought out within one month of that right arising. The offeror may impose a time limit on the rights of minority shareholders to be bought out, but that period cannot end less than three months after the end of the acceptance period. If a shareholder exercises his rights, the offeror is entitled and bound to acquire those shares on the terms of the offer or on such other terms as may be agreed.

15. Disclosure of Ownership

Pursuant to section 793 of the Act, the Board has power by notice in writing to require any member to disclose to the Company the identity of any person other than the member who has any interest, (whether direct or indirect), in the Shares held by the member and the nature of such interest. For these purposes, a person shall be treated as having an interest in Shares if they have any interest in them whatsoever, including but not limited to any interest acquired by any person as a result of:

- (i) entering into a contract to acquire them;
- (ii) being entitled to exercise, or control the exercise of any right conferred by the holding of the Shares;
- (iii) having the right to call for delivery of the Shares; or
- (iv) having the right to acquire an interest in Shares or having the obligation to acquire such an interest.

Where an addressee of such a notice fails to give the Company the information required by the notice within the time specified in the notice, the Company may apply to the court for an order directing that the Shares in question be subject to restrictions. The effect of an order that Shares are subject to restrictions is as follows:

- (a) any transfer of the Shares is void;
- (b) no voting rights are exercisable; and
- (c) no further Shares may be issued in right of the Shares or in pursuance of an offer to the holder of the Shares.

Pursuant to Part 21A of the Act, the Company is obliged to keep a register of people with significant control and to record details of any individual or registerable legal person who controls more than 25% of the Company's shares or voting rights or has the

right to appoint or remove a majority of directors or otherwise has the right to exercise or actual exercises significant influence or control. Any person who knows or reasonably ought to know that he is a registerable person or registerable relevant legal entity in relation to the Company must notify the Company of that fact.

16. General

The total net proceeds of the Offer will depend on the level of subscriptions. If the full Gross Proceeds are received, the total net proceeds, are expected to be £18,900,000, assuming total Promoter's Fees of 5.5% of the Gross Proceeds. The actual net proceeds may be higher or lower than this amount. The total expenses of the Offer, payable by the Company, comprise the Promoter's Fees of between up to 4% and a maximum of 5.5% of the Gross Proceeds.

The maximum number of New Shares to be issued under the Offer is 20,000,000.

17. Information Sourced from Third Parties

Where information detailed in this document has been sourced from a third party, the Company confirms that such information has been accurately reproduced and so far as the Company is aware and is able to ascertain from information published by such third parties, no facts have been omitted which would render the reproduced information inaccurate or misleading.

18. Documents Available for Inspection

Copies of the following documents will be available for inspection during usual business hours on any day (Saturdays, Sundays and public holidays excepted) at the registered office of the Company until 20 August 2019:

18.1.1. the Articles; and

18.1.2. the Prospectus.

Copies of the Prospectus may be obtained, free of charge, until 20 August 2019, from the Company's registered office, 39 Earlham Street, London WC2H 9LT (telephone 020 7845 7820, email info@provenlegacy.co.uk) or can be downloaded at www.provenlegacy.co.uk. In addition, a copy of the Prospectus has been submitted to the National Storage Mechanism.

Dated 21 August 2018

DEFINITIONS

The following definitions apply throughout this document, unless the context otherwise requires:

2016 Offer	the Company's offer for subscription of Redeemable Growth Shares and Redeemable Income Shares made pursuant to the Company's prospectus published on 3 June 2016
2017 Offer	The Company's offer for subscription of Redeemable Growth Shares and Redeemable Income Shares made pursuant to the Company's prospectus published on 7 August 2017.
Act or Companies Act	Companies Act 2006 (as amended)
Administration Fee	the annual administration fee payable to the Administrator
Administrator	Beringea, acting in its capacity as the Company's administrator
Adviser Charge	fees agreed between a Shareholder and his or her Financial Adviser for being given a personal recommendation to subscribe for New Shares in the Company, including VAT if applicable
Annual Lending Advisory Fee	the annual advisory fees payable to the Lending Adviser
Annual Running Costs	all costs and expenses of a regular or anticipated nature incurred by the Company in each financial year (including irrecoverable VAT, but excluding the Annual Lending Advisory Fee, Administration Fee and trail commissions payable to intermediaries)
Applicant	has the meaning given to that expression in the Terms and Conditions of Application on pages 84 to 87 of this document
Application	an application to subscribe for New Shares contained in a duly completed Application Form
Application Form	the application form for use in respect of the Offer set out at the end of this Prospectus and otherwise available by contacting Beringea on 020 7845 7820
Articles	the articles of association of the Company adopted on 24 May 2016
Beringea	Beringea LLP, 39 Earlham Street, London WC2H 9LT
Beringea Group	Beringea LLC and its subsidiaries (including Beringea)
Beringea Growth Finance	Beringea Growth Finance operates as part of Beringea, focused on providing asset based and working capital finance
Board of Directors or Board or Directors	the directors of the Company from time to time
BPR or Business Property Relief	Business Property Relief as set out in the Inheritance Tax Act 1984
Business Strategy	the Company's business strategy described in Part 1 of this Prospectus
Calculation Date	the date on which the Net Asset Value is to be calculated being the last day of each quarter (together with such other dates as the Board may determine)
FCA	Financial Conduct Authority
Financial Adviser	a person authorised and regulated by the FCA to provide advice to its clients concerning investments
FSMA	the UK Financial Services and Markets Act 2000, (as amended from time to time)
Gross Proceeds	proceeds of the Offer before expenses of the Offer payable by the Company and after deduction/payment of the Adviser Charge

Growth Shares or Redeemable Growth Shares	redeemable ordinary growth shares of £0.01 each in the capital of the Company
HMRC	HM Revenue & Customs
IHT or Inheritance Tax	Inheritance tax as set out in the Inheritance Tax Act 1984 (as amended)
Income Shares or Redeemable Income Shares	redeemable ordinary income shares of £0.01 each in the capital of the Company
Independent Directors	the Directors other than Malcolm Moss
Investor	an individual aged 18 or over who is resident in the UK who subscribes for New Shares under the Offer
Lending Adviser	Beringea, acting in its capacity as the Company's lending adviser
ML Regulations	Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Money Laundering Regulations 2017)
Net Asset Value or NAV	<p>the net asset value of the Company calculated as at the relevant Calculation Date by reference to the difference between:</p> <p>(a) the gross value of all the Company's assets; less</p> <p>(b) such accrued liabilities of the Company that should be apparent to the Directors,</p> <p>in each case determined by the Board with reference (as necessary) to the Company's auditors and to such person as appointed from time to time as the Company's administrator, and having regard to the Valuation Guidelines</p>
Net Asset Value per Growth Share (or NAV per Growth Share)	the proportion of the Net Asset Value on any Calculation Date attributable to each Growth Share in issue as at the relevant Calculation Date
Net Asset Value per Income Share (or NAV per Income Share)	the proportion of the Net Asset Value on any Calculation Date attributable to each Income Share in issue as at the relevant Calculation Date
New Shares	Growth Shares and Income Shares to be issued under the Offer
Offer	the offer for subscription of New Shares pursuant to the terms of this document
Ordinary Shares	ordinary shares of £1 each in the capital of the Company
Overseas Persons	persons who are not resident in, or who are not citizens of, the United Kingdom
PGI VCT	ProVen Growth and Income VCT plc
Pricing Formula	the formula used to calculate the number of New Shares to be issued to an Investor, as set out on page 25
Promoter	Beringea, acting in its capacity as promoter in connection with the Offer
Promoter's Fee	the fee payable by the Company to the Promoter of (a) up to 4% of the Gross Proceeds raised for Applications received through Financial Advisers and (b) up to 5.5% of the Gross Proceeds raised for Applications received through Execution Only Brokers, less any commission waived by the Execution Only Broker
Prospectus	this document which describes the Offer
Prospectus Rules	the prospectus rules of the FCA made pursuant to section 73A of FSMA
ProVen Planned Exit VCT	ProVen Planned Exit VCT plc
ProVen VCT	ProVen VCT plc
ProVen VCTs	PGI VCT, ProVen VCT and ProVen Planned Exit VCT
Receiving Agent	Beringea, acting in its capacity as receiving agent
Redeemable Preference Shares	Redeemable Preference Shares of £1 each, previously in issue in the Company

Redemption Request	a request for redemption of Shares for cash made by completing and sending the Redemption Request Application Form in accordance with the Terms and Conditions of Redemption on pages 82 to 83 of this document
Redemption Request Application Form	has the meaning given to that expression in the Terms and Conditions of Redemption on pages 82 to 83 of this document
Registrar	Link Asset Services, The Registry, 34 Beckenham Road, Beckenham, Kent, BR3 4TU
Shareholders	holders of Shares or New Shares, as the context requires
Shares	Income Shares and/or Growth Shares including New Shares where the context requires
SME	small and medium sized enterprises
Terms and Conditions of Application	the terms and conditions for applications for New Shares, set out on pages 84 to 87 of this document
UK GAAP	UK Generally Accepted Accounting Practice
US Person	person resident in the United States of America
Valuation Guidelines	the valuation guidelines of the Company adopted by the Board from time to time, the present guidelines being set out on page 26

TERMS AND CONDITIONS OF REDEMPTION

If a Shareholder applies to have Shares redeemed for cash, then the Shareholder will be agreeing with the Company and the Administrator to the following terms:

- A. In these Terms and Conditions of Redemption, the expression "Redemption Request Application Form" means the application form for use in connection with a Redemption Request, which must be posted or delivered by hand during normal business hours to the Administrator, ProVen Legacy plc, 39 Earlham Street, London WC2H 9LT or such other location as is stated in this document or the Redemption Request Application Form. A copy of the Redemption Request Application Form may be obtained by writing to the Administrator, ProVen Legacy plc, 39 Earlham Street, London WC2H 9LT.
- B. Any Redemption Request must be addressed and sent to the Administrator. The rights and remedies of the Administrator and the Company under the Terms and Conditions of Redemption are in addition to any rights and remedies which would otherwise be available to them, and the exercise or partial exercise of one such right or remedy will not prevent the exercise of the others. A Redemption Request must be accompanied by the share certificate in respect of the Shares (as detailed in the Redemption Request Application Form). If the Share certificate has been lost, then the Shareholder should contact the Administrator. If a share certificate is not sent with the Redemption Request, then the Company reserves the right to treat the form as invalid.
- C. Shares can only be redeemed based on NAV at either the half year or full year end (as applicable) in any year.
- D. To redeem Shares, the Shareholder must give the Company prior written notice, by submitting the Redemption Request and the Company must have received such Redemption Request by the last working day of the month preceding 30 June or 31 December as appropriate.
- E. The Shareholder must specify the number of Growth Shares and/or the number of Income Shares that he or she wants to redeem. Where this is not made clear then the Company may reject the Redemption Request.
- F. Redemption is subject to the discretion of the Directors, applicable law and regulation and the availability of sufficient cash reserves. The Directors will use reasonable efforts to redeem in full the Shares detailed in the Redemption Request. The Directors may not be in a position at the time of the Redemption Request to know, if on the day in question, there will be sufficient money available to the Company to finance the redemption in part or in full. The Company's capacity to realise cash from assets held by it may also constrain the ability of the Company to effect redemption.
- G. The Shares will be redeemed at a discount of 1 per cent. to the Net Asset Value per Growth Share or Net Asset Value per Income Share, as appropriate, as at the end of the relevant month. The Administrator will confirm the number of Shares for which a Redemption Request has been made. Shareholders will be notified of the number of Shares which will be redeemed by the Company, as soon as reasonably practicable following receipt of the Redemption Request. The Company is entitled to process a redemption on the basis that a percentage of the proceeds of redemption is payable within four months of the redemption, with the balance outstanding due and payable to the Shareholder on a later date on which the Directors decide. All outstanding amounts are owed by the Company to the Shareholder as an unsecured creditor. No interest accrues on outstanding amounts.
- H. The Company shall pay the redemption proceeds into the bank or building society account nominated in the relevant section of the Redemption Request Application Form. For money laundering reasons, the Company is unable to pay such proceeds into a third party account.
- I. By completing and delivering a Redemption Request Application Form, the Shareholder
 - (i) agrees that redemption of the requested Shares is subject to the discretion of the Directors, applicable law and regulation and the availability of sufficient cash reserves and that the Shareholder is afforded no expectation in law or otherwise that he will be able to realise his shareholding in the Company in full on demand;
 - (ii) agrees that if the Redemption Request is accepted by the Company, it is an irrevocable request by the Shareholder to redeem such number or value or Shares as are specified in the Redemption Request (or such lesser amount as the Company may determine);
 - (iii) agrees that, if the Redemption Request is accepted by the Company, the Shareholder will be entitled, subject to (i) above, to the Net Asset Value per Growth Share or Net Asset Value per Income Share, as appropriate, as at the applicable month end, less the 1% discount set out in the Prospectus and in G above;
 - (iv) agrees that any returned monies will be sent at the Shareholder's risk (without interest) and will be sent to the address supplied by the Shareholder;
 - (v) irrevocably authorises the Company, the Administrator, and/or any person authorised by them, as the Shareholder's agent, to do all things necessary to effect the redemption of the Shares specified in the Redemption Request and authorise any representative of the Company or the

Administrator to execute any documents required therefor and to redeem the Shareholder's Shares;

- (vi) agrees to provide the Company with any information which it may request in connection with the Shareholder's application for redemption or to comply with any relevant legislation (as the same may be amended from time to time) including without limitation confirmation that the redemption is in compliance with the ML Regulations;
- (vii) warrants that, in connection with the Shareholder's application for redemption, the Shareholder has observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any transfer or other taxes due in connection with the application for redemption in any territory and that the Shareholder has not taken any action which will or may result in the Company or the Administrator acting in breach of the regulatory or legal requirements of any territory in connection with the redemption of the Shareholder's Shares;
- (viii) warrants that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to the Shareholder's application for redemption, the Shareholder has complied with all such laws and the Company or the Administrator will not infringe any laws of any such territory or jurisdiction directly or indirectly as a result of or in consequence of any acceptance of the Shareholder's Redemption Request; and

- (ix) agrees that the Shareholder's acceptance of the Share Redemption on the terms set out in the Prospectus is binding on the Shareholder and is irrevocable and will not be capable of rescission or termination.

- J. The Shareholder agrees that the Directors, in their absolute discretion, reserve the right to effect a disposal of the Shares, for Shareholders who request the redemption of their Shares, to applicants applying for Shares, by way of a matched bargain service. Under this service, the Company will effect the sale of the Shares of exiting Shareholders to applicants subscribing for Shares. The disposal and acquisition price, together with the fees payable by exiting and new Shareholders, will be identical, where the matched bargain service is used, to those prices and fees which would have applied if the disposal and acquisition had been carried out by way of a redemption of the exiting Shareholder's Shares and a subscription of Shares by the new Shareholders, save that Stamp Duty will be deducted by the Company from the sale proceeds payable to the exiting Shareholders.

TERMS AND CONDITIONS OF APPLICATION

If ("Applicant") you apply for New Shares in the Offer, you will be agreeing with the Company and the Receiving Agent as follows:

1. In these terms and conditions of Application, the expression "Prospectus" means the prospectus dated 21 August 2018; and the expression "Application Form" means the application form for use in accordance with these Terms and Conditions of Application and posted (or delivered by hand during normal business hours) to Beringea LLP, 39 Earlham Street, London WC2H 9LT ("Receiving Agent") or as otherwise indicated in this document or the Application Form. Words and expressions defined in the Prospectus shall bear the same respective meanings in these terms and conditions.
2. The basis of allocation will be determined by the Directors in their absolute discretion. The Company (and the Receiving Agent on the Company's behalf) reserve the right to reject any Application or to accept any Application or to accept any Application in part only. Multiple Applications are permitted. If any Application is not accepted in whole or in part, or if any contract created by acceptance does not become unconditional, or if any Application is accepted for fewer New Shares than the number applied for, or if in any other circumstances there is an excess paid on Application, the application monies or the balance of the amount paid or the excess paid on Application will be returned, without interest, by post at the applicant's risk, or by BACS transfer to the account from which application monies were sent. In the meantime application monies will be retained in a bank account in the name of the Company.
3. You may pay for the New Shares by BACS transfer, by cheque or bankers' draft submitted with the Application Form.
4. By completing and delivering an Application Form, you:
 - i. offer to subscribe for the amount specified in your Application Form or such lesser amount for which such Application is accepted, on the terms of the Prospectus, these Terms and Conditions of Application and the Articles of Association of the Company;
 - ii. authorise your Financial Adviser, or whomever he may direct, to instruct the Registrar to send a document of title for, or credit your account in respect of, the number of New Shares for which your Application is accepted and/or a cheque for any monies returnable, by post at your risk to your address as set out in your Application Form, or by BACS transfer to the bank account from which any application monies were sent;
 - iii. agree that your Application may not be revoked and that this paragraph constitutes a collateral contract between you and the Company which will become binding upon dispatch by post or delivery of your duly completed Application Form to the Company or to your Financial Adviser;
 - iv. warrant that your remittance will be honoured on first presentation and agree that if it is not so honoured you will not be entitled to receive share certificates in respect of the New Shares applied for until you make payment in cleared funds for such New Shares and such payment is accepted by the Company in its absolute discretion (which acceptance shall be on the basis that you indemnify it and the Registrar against all costs, damages, losses, expenses and liabilities arising out of or in connection with the failure of your remittance to be honoured on first presentation) and you agree that, at any time prior to the unconditional acceptance by the Company of such late payment, the Company may (without prejudice to its other rights) avoid the agreement to subscribe for such New Shares and may issue or allot such New Shares to some other person, in which case you will not be entitled to any payment in respect of such New Shares, other than the refund to you, at your own risk, of the proceeds (if any) of the cheque or banker's draft accompanying your Application, or by BACS transfer to the account from which monies were sent, without interest;
 - v. agree that all cheques and bankers' drafts may be presented for payment on the due dates and any definitive document of title and any monies returnable to you may be retained pending clearance of your remittance and the verification of identity required by the ML Regulations and that such monies will not bear interest;
 - vi. undertake to provide satisfactory evidence of identity within such reasonable time (in each case to be determined in the absolute discretion of the Company) to ensure compliance with the ML Regulations;
 - vii. agree that, in respect of those New Shares for which your Application has been received and is not rejected, your Application may be accepted at the election of the Company by notification of acceptance thereof to the Registrar;
 - viii. agree that all documents in connection with the Offer and any returned monies will be sent at your risk and will be sent to you at the address supplied in the Application Form;
 - ix. agree that having had the opportunity to read the Prospectus, you shall be deemed to have had notice of all the information and representations including the Risk Factors contained therein;

- x. confirm that (save for advice received from your Financial Adviser) in making such an Application you are not relying on any information and representation other than those contained in the Prospectus and you, accordingly, agree that no person responsible solely or jointly for the Prospectus any part thereof or involved in the preparation thereof will have any liability for any such other information or representation;
 - xi. agree that all Applications, acceptances of Applications and contracts resulting therefrom under the Offer shall be governed by and construed in accordance with English law, and that you submit to the jurisdiction of the English courts and agree that nothing shall limit the right of the Company to bring any action, suit or proceedings arising out of or in connection with any such Applications, acceptances of Applications and contracts in any other manner permitted by law or any court of competent jurisdiction;
 - xii. irrevocably authorise the Company and the Receiving Agent and or any person authorised by either of them, as your agent, to do all things necessary to effect registration of any New Shares subscribed by or issued to you into your name and authorise any representative of the Registrar to execute any documents required therefore and to enter your name on the register of members of the Company;
 - xiii. agree to provide the Company with any information which it may request in connection with your Application or to comply with any relevant legislation (as the same may be amended from time to time) including without limitation satisfactory evidence of identity to ensure compliance with the ML Regulations;
 - xiv. warrant that, in connection with your Application, you have observed the laws of all requisite territories, obtained any requisite governmental or other consents, complied with all requisite formalities and paid any issue, transfer or other taxes due in connection with your Application in any territory and that you have not taken any action which will or may result in the Company or the Registrar acting in breach of the regulatory or legal requirements of any territory in connection with the Offer or your Application;
 - xv. confirm that you have read and complied with paragraph 5 below;
 - xvi. confirm that you have reviewed the restrictions contained in paragraph 6 below;
 - xvii. warrant that you are not under the age of 18 years;
 - xviii. warrant that, if the laws of any territory or jurisdiction outside the United Kingdom are applicable to your Application, you have complied with all such laws and the Company and the Registrar will not infringe any laws of any such territory or jurisdiction directly or indirectly as a result of or in consequence of any acceptance of your Application;
 - xix. agree that the Receiving Agent is acting for the Company in connection with the Offer and for no-one else and that it will not treat you as its customer by virtue of such Application being accepted or owe you any duties or responsibilities concerning the price of New Shares or concerning the suitability of New Shares for you or be responsible to you for the protections afforded to their customers;
 - xx. warrant that, if you sign the Application Form on behalf of somebody else or yourself, you have the requisite power to make such investments as well as the authority to do so and such person will also be bound accordingly and will be deemed also to have given the confirmations, warranties and undertakings contained in these Terms and Conditions of Application and undertake (save in the case of signature by a Financial Adviser on behalf of the subscriber) to enclose a power of attorney or a copy thereof duly certified by a solicitor with the Application Form;
 - xxi. warrant that the New Shares are being acquired for bona fide commercial purposes and not as part of a scheme or arrangement the main purpose of which, or one of the main purposes of which, is the avoidance of tax. Obtaining tax reliefs given under the applicable legislation is not itself tax avoidance;
 - xxii. warrant that you are not a "US Person" as defined in the United States Securities Act of 1933 ("Securities Act") (as amended), nor a resident of Canada and that you are not applying for any Shares on behalf of or with a view to their offer, sale or delivery, directly or indirectly, to or for the benefit of any US Person or a resident of Canada;
 - xxiii. warrant that the information contained in the Application Form is accurate; and
 - xxiv. irrevocably and unconditionally appoint any Director of the Company as your attorney and in your name and on your behalf to take any steps, or do anything, without limitation, including attending and voting at meetings of the Company by way of a poll or show of hands and completing any applicable form(s) of proxy (in favour of such Director) as may be required by the Company and completing any forms or documents to enable it to redeem and/or fund the redemption of any New Shares and to implement any sale or transfer of New Shares in respect of the matched bargain service referred to in the Prospectus.
5. No person receiving a copy of this document or an Application Form in any territory other than the UK may treat the same as constituting an invitation or offer to him or her, nor should he or she in any event use such Application Form unless, in the relevant territory, such an invitation or offer could lawfully be made to him or her or such Application Form could lawfully be used without contravention of any regulations or other legal requirements. It is the responsibility of any person outside the United Kingdom wishing to make an Application to satisfy him or herself as to full observance of the laws of any relevant territory in connection therewith, including obtaining any requisite governmental or other consents, observing any other formalities requiring to be observed in such territory and paying any issue, transfer or other taxes required to be paid in such territory.
 6. The New Shares have not been and will not be registered under the Securities Act, as amended, or under the securities laws of any state or other political subdivision of the United States and may not be offered or sold in the United States of America, its

territories or possessions or other areas subject to its jurisdiction ("the USA"). In addition, the Company has not been and will not be registered under the United States Investment Company Act of 1940, as amended. Beringea will not be registered under the United States Investment Advisers Act of 1940, as amended. No Application will be accepted if it bears an address in the USA.

7. This Application is addressed to the Receiving Agent and the Company. The rights and remedies of the Receiving Agent and the Company under these Terms and Conditions of Application are in addition to any rights and remedies which would otherwise be available to either of them, and the exercise or partial exercise of one will not prevent the exercise of the others.
8. The dates and times referred to in these Terms and Conditions of Application may be altered by the Company.
9. The Application Procedure commencing on page 88 forms part of these Terms and Conditions of Application.
10. Your cheque or bankers' draft must be drawn in sterling on an account at a branch (which must be in the United Kingdom, the Channel Islands or the Isle of Man) of a bank which is either a member of the Cheque and Credit Clearing Company Limited or the CHAPS Clearing Company Limited, a member of the Scottish Clearing Banks Committee or the Belfast Clearing Committee or which has arranged for its cheques or bankers' drafts to be cleared through facilities provided for members of any of those companies or associations and must bear the appropriate sorting code in the top right hand corner. Cheques should be drawn on the personal account to which you have sole or joint title to such funds. Third party cheques will not be accepted with the exception of building society cheques or banker's drafts where the building society or bank has confirmed the name of the account holder by stamping and endorsing the cheque or draft to such effect. The account name should be the same as that shown on the Application. Post-dated cheques will not be accepted. Cheques or banker's drafts will be presented for payment upon receipt. The Company reserves the right to instruct the Receiving Agent to seek special clearance of cheques and banker's drafts to allow the Company to obtain value for remittances at the earliest opportunity. The right is reserved to reject any Application Form in respect of which the cheque or bankers' draft has not been cleared on first presentation.
11. The Directors reserve the right to reject in whole or in part any Applications in respect of which any verification of identity which the Company or the Receiving Agent consider may be required for the purposes of the ML Regulations has not been satisfactorily supplied. Any monies returned to you will be sent by cheque crossed "A/C Payee only" in favour of the person named in Section 1 of the Application Form ("the Applicant"), or by BACS transfer to the account from which application monies were sent.
12. The application of the subscription proceeds is subject to the absolute discretion of the Directors and can be used to fund the redemption of New Shares in accordance with the provisions of the Act.
13. You agree that, following the subscription for New Shares, Beringea is entitled to payment of the Promoter's Fee. Beringea's Promoter's Fee will be calculated as a percentage of the Gross

Proceeds invested (before the deduction of any commissions to Execution Only Brokers, as applicable, but after the payment of the Adviser Charge).

14. You agree that, following acceptance of any Redemption Request Application Form, the Company will redeem the New Shares at a discount of 1% to the Net Asset Value per Growth Share or Net Asset Value per Income Share, as appropriate, as at 30 June or 31 December (as applicable) which will be deducted from the redemption proceeds before they are paid to you.
15. Where you have agreed to pay your Financial Adviser the Adviser Charge, and have indicated on the Application Form that the Company can facilitate the payment of this, the Company will facilitate the upfront payment of the Adviser Charge on your behalf.
16. **Money Laundering Regulations**

Important note for Applications for €15,000 (approximately £13,500) or more in cash

The verification of identity requirements of the ML Regulations will apply and verification of the identity of the applicant may be required. Failure to provide the necessary evidence of identity may result in the Application being treated as invalid or in delay in confirming the Application.

If the value of the New Shares applied for exceeds €15,000 (approximately £13,500 as at the date of this document) payment should be made by means of a UK clearing bank cheque drawn in your name on an account in your name or by BACS transfer from an account in your name. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should write your name, address and date of birth on the back of the cheque or banker's draft and:

- (i) if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited; or
 - (ii) if a cheque is drawn by a third party or payment is made by BACS transfer from an account which is not in your name, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence bearing a photograph and your signature) and a recent (dated within three months preceding the date of Application) original bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified by a solicitor or bank. Original documents will be returned to you by post at your risk.
17. Company law requires that Shareholders are individually asked to consent to this method of publication. It is the Board's intention in the future to provide, as far as possible, all documents via the Company's website to all Shareholders who have not specifically elected to receive the information in hard copy (i.e. paper) form. This will reduce the number of communications sent by post and will result in cost savings to the Company. It will also reduce the impact that the unnecessary printing and distribution of reports

has on the environment. Shareholders will be notified by email or post each time the Company places communications on the website.

If you wish to receive postal notification of publication of the Company's shareholder communications then you do not need to do anything.

If you wish to receive email notification of publication of the Company's shareholder communications, then please ensure you complete Section 1(a) of the Application Form.

If you wish to receive hard copies of the Company's shareholder communications, then please ensure you complete Section 1(b) of the Application Form.

Should you subsequently wish to change your election, you can do so at any time by contacting Link Asset Services, Shareholder Administration Support, 34 Beckenham Road, Beckenham, Kent BR3 4TU, or alternatively at <https://www.linksignalhub.com>. Notwithstanding any election, the Company may in its sole discretion send any notification or information to Shareholders in paper form.

18. The Application Form is being signed by you as a deed.

APPLICATION PROCEDURE

Please send the completed Application Form together with your payment and proof of identity if required (please see paragraph 16 of the Terms and Conditions) to:

ProVen Legacy plc, c/o Beringea LLP, 39 Earlham Street, London WC2H 9LT

Payment may alternatively be made by BACS transfer, using your surname and initials as the reference, to the Company's bank account, details of which are set out below.

If you have any questions on how to complete an Application Form please contact Beringea on 020 7845 7820. Please note that for legal reasons Beringea will not be able to provide advice on the merits of the Offer or give any personal tax, investment or financial advice.

SECTION 1

Please insert your full name, permanent address, mobile and home telephone numbers, date of birth, and email address in Section 1 of the Application Form. Joint Applications are not permitted but couples may apply separately. Please also indicate how you would like the Company to communicate with you.

Under Common Reporting Standards, the Company is obliged to capture certain information for new Applicants. Please indicate all countries for which the Applicant is resident for the purposes of that country's income tax in the section provided.

Representatives of the Applicant, such as persons with an enduring power of attorney or lasting power of attorney should complete the Application Form with the details of the Applicant. A certified copy of the applicable power of attorney should be attached to the Application Form. Representatives should sign Section 5 of the Application Form on behalf of the Applicant in the presence of a witness.

SECTION 2

Please note that the minimum investment is £10,000 and Applications must be made in multiples of £5,000. This amount is inclusive of any Adviser Charge, the payment of which is to be facilitated by the Company.

Specify the amount to be invested in Redeemable Growth Shares of £0.01 each in Box A (state nil if appropriate).

Specify the amount to be invested in Redeemable Income Shares of £0.01 each in Box B (state nil if appropriate).

Specify the total amount to be invested in New Shares under the Offer (i.e. the sum of Boxes A and B) in Box C.

Place a tick in the appropriate box to indicate whether you will make your payment by cheque, bankers draft or BACS transfer.

Cheques should be made payable to "ProVen Legacy plc" and crossed "A/C Payee only". Cheques must be from a recognised UK bank account and your payment must be related solely to this Application.

Payment by BACS transfer should be made to the following account, **using your surname and initials as the reference:**

Bank :	Royal Bank of Scotland
Sort Code:	16-01-09
Account Name:	ProVen Legacy plc
Account Number:	00636399

If the value of the New Shares applied for exceeds €15,000 (approximately £13,500 as at the date of this document) payment should be made by means of a UK clearing bank cheque drawn on an account in your name. If this is not practicable and you use a cheque drawn by a third party or a building society cheque or banker's draft, you should write your name, address and date of birth on the back of the cheque or banker's draft and:

- if a building society cheque or banker's draft is used, the building society or bank must also endorse on the cheque or draft the name and account number of the person whose account is being debited; or
- if a cheque is drawn by a third party or payment is made by BACS transfer from an account which is not in your name, you must ensure that both of the following documents are enclosed with the Application Form: a certified copy of your passport (or your driving licence

bearing a photograph and signature of the individual) and a recent (dated within three months preceding the date of Application) original bank or building society statement (or utility bill) in your name. A copy passport or driving licence should be certified by a solicitor or bank. Original documents will be returned to you by post at your risk.

SECTION 3

Please tick the appropriate box to indicate whether:

- (i) you have been advised on this Application by a Financial Adviser; or
- (ii) you are applying through an Execution Only Broker who has not given you advice in relation to your Application.

In the case of (i) above, please insert the amount of the fee you have agreed with your Financial Adviser, inclusive of VAT if applicable, in the box provided for this purpose. Please note that in the case of (ii) trail commission is not available on investment platform services.

SECTION 4

Please complete the mandate instruction if you wish to have dividends paid directly into your bank or building society account.

SECTION 5

Read the declaration in Section 5 of the Application Form and sign and date the Application Form in the presence of a witness.

If the Application Form is completed and signed by an authorised Financial Adviser, that Financial Adviser must sign and date the declaration.

SECTION 6

Intermediaries should complete Section 6, giving their full name and address, telephone number and details of their authorisation under the Financial Services and Markets Act 2000. An authorised signatory must sign on behalf of the Intermediary. The right is reserved to withhold payment of commission or to decline to facilitate the payment of a fee, as appropriate, if the Company, in its sole discretion, is not satisfied that the Intermediary is authorised.

For Applications submitted through Execution Only Brokers, the Execution Only Broker should complete the appropriate boxes to indicate the preferred commission structure and the amount of commission (if any) to be waived and reinvested in additional New Shares.

FREQUENTLY ASKED QUESTIONS

Q: What is the minimum investment?

A: £10,000 and Applications must be made in multiples of £5,000.

Q: Who should I make my cheque payable to?

A: "ProVen Legacy plc".

Q: May I pay by BACS transfer?

A: Yes. The application monies should be transferred to the following account, using your surname and initials as the reference:

Bank :	Royal Bank of Scotland
Sort Code:	16-01-09
Account Name:	ProVen Legacy plc
Account Number:	00636399

Q: Where should I send my Application?

A: ProVen Legacy plc, c/o Beringea LLP, 39 Earlham Street, London WC2H 9LT.

Q: What happens after I invest?

A: We will send you confirmation that we have received your Application by return of post or email, including the following information:

For Applications submitted through Execution Only Brokers:

- how much you have applied to invest
- details of any additional amounts to be invested arising from the commission waived by an Execution Only Broker.

For Applications submitted through Financial Advisers:

- how much you have applied to invest
- details of any amounts deducted from your subscription to be paid as a fee (inclusive of VAT if appropriate) to your Financial Adviser.

Q: When will the New Shares be allotted?

A: Allotments made in relation to Applications will be made ordinarily in the month following the end of the month of receipt, acceptance of Applications and clearance of funds.

Q: How many New Shares will I receive?

A: The number of New Shares allotted to you will depend on a number of factors, including the NAV per Growth Share or the NAV per Income Share, as appropriate, at the date of allotment and whether you apply through an Execution Only Broker or through a Financial Adviser.

Q: When can I expect to receive the share certificate?

A: The Company's Registrar, Link Asset Services, will send share certificates approximately 15 business days after New Shares are allotted.

Q: Whom should I contact if I have any questions concerning an Application?

A: Please contact Beringea on 020 7845 7820. Please note that Beringea cannot give personal tax, investment or financial advice.

APPLICATION FORM

ProVen Legacy plc – Offer for Subscription

Before completing this Application Form you should read the Terms and Conditions of Application and the Application Procedure. The Offer opens on 21 August 2018 and the closing date in respect of the Offer will be 1.00pm on 20 August 2019 (or earlier if the maximum subscription has been reached before then).

Please send this Application Form together with your cheque or bankers draft and proof of identity if required, to **ProVen Legacy plc, c/o Beringea LLP, 39 Earlham Street, London, WC2H 9LT**. Alternatively payment may be made by BACS transfer, using your surname and initials as the reference, to the following bank account of the Company.

Bank: Royal Bank of Scotland
Sort Code: 16-01-09
Account Name: ProVen Legacy plc
Account Number: 00636399

Please indicate which payment method you are using in Section 2 of the Application Form.

Please complete in block capitals

SECTION 1

Title (Mr/Mrs/Miss/Ms/Other)	<input type="text"/>	Surname	<input type="text"/>
Forename(s) in full	<input type="text"/>		
Date of Birth	<input type="text"/>	National Insurance Number	<input type="text"/>
Permanent residential address	<input type="text"/>	E-mail	<input type="text"/>
	<input type="text"/>	Telephone (landline)	<input type="text"/>
Town/City	<input type="text"/>	Telephone (mobile)	<input type="text"/>
Postcode	<input type="text"/>	Please indicate how you would like receipt of your application to be confirmed:	Post <input type="checkbox"/> E-mail <input type="checkbox"/>

Shareholder Communications

The Company intends to publish future Shareholder communications on the ProVen Legacy website (www.provenlegacy.co.uk). Shareholders will normally be notified by post each time such information is published. If you would prefer (a) to receive notification by email, or (b) to receive hard copies of shareholder information, please tick the appropriate box below:

(a) I wish to receive email notifications (to email address in Section 1)

(b) I wish to receive hard copy shareholder information

Tax Residency		
Please indicate all countries in which the Applicant is resident for the purposes of that country's income tax.		
For UK tax residents, the Applicant's National Insurance Number is sufficient.		
If the Applicant is a US citizen, Green Card holder, or US resident, you must complete and return an IRS (Internal Revenue Service) W-9 form and include any additional tax residences in the table below.		
Country of Tax Residency	National Insurance Number or Tax Identification Number (TIN)	Place/Country of Birth
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>
<input type="text"/>	<input type="text"/>	<input type="text"/>



SECTION 2

I offer to subscribe the following amount for New Shares on the Terms and Conditions of Application set out in this Prospectus and subject to the articles of association of the Company.

The minimum subscription amount is £10,000 and Applications must be made in multiples of £5,000. The amount is inclusive of any Adviser Charge, the payment of which is facilitated by the Company.

Redeemable Growth Shares of £0.01 each	£	A
Redeemable Income Shares of £0.01 each	£	B
TOTAL INVESTMENT (A+B)	£	C

I ENCLOSE (A) CHEQUE(S) OR BANKER'S DRAFT(S) DRAWN ON A UK CLEARING BANK, MADE PAYABLE TO "PROVEN LEGACY PLC"

I WILL PAY BY BACS TRANSFER, USING MY SURNAME AND INITIALS AS THE REFERENCE, TO

Bank: Royal Bank of Scotland
Sort Code: 16-01-09
Account Name: ProVen Legacy plc
Account Number: 00636399

SECTION 3

Please indicate the type of Application you are making by ticking the appropriate box:

- (i) **Advised:** You have been advised on this investment by a Financial Adviser – please complete the Adviser Charge box below, if applicable, and ensure Section 6(a) is completed by your Intermediary

Adviser Charge

If you have agreed an Adviser Charge with your Financial Adviser and request that the Company facilitates the payment of that fee, please insert the fee amount in this box. Please note that the number of New Shares issued to you will be reduced as a result of the Adviser Charge. This payment is inclusive of VAT, if applicable.

State as either a sum of money in £ or as a % of the total amount invested in Section 2 box C above

- (ii) **Execution only:** This investment is being processed through an Execution Only Broker who is not providing you with advice – please ensure Section 6(b) is completed by your intermediary.

SECTION 4

All dividends on Redeemable Income Shares of £0.01 each in the Company may be paid directly into bank and building society accounts. If you wish all future dividends on Redeemable Income Shares of £0.01 each in the Company to be paid into your bank or building society account, please complete the mandate instruction form below.

Dividends paid directly to your account will be paid in cleared funds on the dividend payment dates. Your bank or building society statement will identify details of the dividend as well as the dates and amounts paid.

Please forward until further notice, all dividends that may from time to time become due on any Redeemable Income Shares of £0.01 each in the Company now standing, or which may hereafter stand, in my name in the register of members of ProVen Legacy plc to the bank account listed below. I understand that if my Application is not accepted in full, the balance of Application monies may also be repaid (without interest) to the bank account listed below.

Bank or Building Society reference number and details:

Account Name	<input type="text"/>	Name of Bank/ Building Society	<input type="text"/>
Account Number	<input type="text"/>	Address of Branch	<input type="text"/>
Sort Code	<input type="text"/>		
Signature	<input type="text"/>	Date	<input type="text"/>

The Company, Registrars and Beringea do not accept responsibility if any details quoted by you are incorrect

SECTION 5

Applicant's Declaration

This Application Form is signed as a Deed and is delivered by the applicant and must be witnessed by a person who is not related to the applicant. By signing this Application Form, you confirm that:

1. You have read and understood the Prospectus of ProVen Legacy plc dated 21 August 2018;
2. In particular that you have read and understood the Risk Factors set out on pages 9 to 13 of the Prospectus;
3. You agree to be bound by the Terms and Conditions of Application contained in the Prospectus;
4. You are applying for the New Shares specified in Section 2 and you will be the beneficial owner of the New Shares of ProVen Legacy plc issued to you under this Offer;
5. Where you have agreed to pay an Adviser Charge and you request that the Company facilitates the payment of that Adviser Charge, you consent to the Company making payment thereof to the Financial Adviser identified in Section 6, together with applicable VAT, out of the amount of subscription monies received by the Company from you.

The information provided by you will be held in confidence by Beringea and will not be passed on to any other companies. Beringea may use your contact details to send you information about the Company or other funds managed or advised by Beringea (such as the ProVen News newsletter) and other products or services it offers. If you would prefer not to receive this information, please tick the box:

If you tick the box you will continue to receive notifications when Shareholder communications, such as the Company's annual report, are published on the ProVen Legacy website (or hard copy documents if you have elected to receive them).

Please sign below to complete the Application.

Signature of Applicant/Applicant's Representative(s)*:

Date:

Signature of Witness:

Name and address of Witness:

Occupation of Witness:

* Please attach a Power of Attorney or other valid evidence of an Applicant's Representative's authority



SECTION 6

For completion by authorised financial intermediaries only

Name of Firm:	Name of Contact
<input type="text"/>	<input type="text"/>
Address	FCA Number:
<input type="text"/>	<input type="text"/>
Postcode:	Telephone:
<input type="text"/>	<input type="text"/>
	E-mail:
	<input type="text"/>

Please confirm how you would like receipt of your client's Application to be confirmed Post E-mail

Please complete either (a) or (b) below:

- (a) The firm named above is a Financial Adviser which has agreed the Adviser Charge specified in Section 3 with the Applicant.
- (b) The firm named above is an Execution Only Broker which is permitted to receive commission in respect of this Application.

The preferred commission structure (to be completed by the Execution Only Broker)	%
A: Commission to be paid to Execution Only Broker	
B: Commission to be waived and invested in additional New Shares for your client	
TOTAL	

Please provide your bank details below.

Account Name	<input type="text"/>	Name of Bank/ Building Society	<input type="text"/>
Account Number	<input type="text"/>	Address of Branch	<input type="text"/>
Sort Code	<input type="text"/>		

The Company, Registrars and Beringea do not accept responsibility if any details quoted by you are incorrect.

Financial Intermediaries' Declaration

By signing this Application Form, you confirm that:

- You have read and understood the Prospectus of ProVen Legacy plc dated 21 August 2018;
- In particular that you have read and understood the Risk Factors set out on pages 9 to 13 of the Prospectus;
- You agree to be bound by the Terms and Conditions of Application contained in the Prospectus;
- You have assessed that a subscription of New Shares meets the Applicant's objectives, that he or she has the expertise, experience and knowledge to understand the risks involved and that he or she is able financially to bear the risks involved in his or her subscription for New Shares;
- You have verified the identity of the Applicant (and, where applicable, the Applicant's Representative(s)) in accordance with the Money Laundering, Terrorist Financing and Transfer of Funds (Information on the Payer) Regulations 2017 (Money Laundering Regulations 2017) and confirm that documentary evidence has been obtained and that identity checks have been performed in order to confirm that the Applicant's name and address as shown in this Application Form (or that of any applicable Representative) are correct. You agree to provide the Company with copies of any applicable documentation associated with such checks if requested.
- Where the Applicant has agreed to pay an Adviser Charge and has requested that the Company facilitates the payment of that Adviser Charge, you consent to the Company making payment thereof (inclusive of VAT, where applicable) to the Financial Adviser out of the amount of subscription monies received by the Company from the Applicant

Signature of Authorised Intermediary	Date
<input type="text"/>	<input type="text"/>

The details set out in this Application Form should be checked carefully by the intermediary as they supersede details given in any accompanying letters or forms



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