

**PROVEN LEGACY PLC**

**HALF-YEARLY REPORT**

**For the Six Months Ended 31 December 2017**

**PROVEN LEGACY PLC**  
**INDEX TO THE HALF-YEARLY REPORT**  
**FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

---

	<u>Page</u>
Chairman's Statement	3
Unaudited Condensed Income Statement	5
Unaudited Condensed Statement of Financial Position	6
Unaudited Condensed Statement of Changes in Equity	7
Unaudited Condensed Statement of Cash Flows	8
Notes to the Half-Yearly Report	9
Company Information	14

## CHAIRMAN'S STATEMENT

---

### Introduction

I have pleasure in presenting the half yearly report for ProVen Legacy plc (the "Company") for the six months ended 31 December 2017.

### Net Asset Value

During the six-month period to 31 December 2017, the net asset value ("NAV") per share increased from 90.4p to 96.6p.

### Results

The net profit for the six-month period to 31 December 2017 was £50,534. This included £50,000 of set up costs that were reimbursed to the Company by Beringea LLP but which will be payable to Beringea LLP if and when the Company's revenue reserves reach £100,000.

### Fundraising activities

The Company launched a further offer for subscription on 7 August 2017 (the "Offer"). The Offer will remain open until 6 August 2018, or until fully subscribed, if earlier.

During the period, a total of £260,000 was raised and allotted under the Offer. After the period end and up to the date of this report, a further £350,000 was raised and allotted on 20 February 2018.

### Lending activity

At 31 December 2017, the Company had agreed three loan commitments totalling £1,250,000, of which £1,000,000 had been advanced. The remaining £250,000 was advanced in January 2018.

Total capital repayments on the three loans amounted to £189,139 at 31 December 2017.

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 draw down in two tranches. The first tranche of £250,000 was drawn down in April 2017 and the second tranche was drawn down in May 2017. Each tranche is repayable over three years.

The third loan facility of £500,000 was signed in October 2017 with Think Limited. At 31 December 2017, £250,000 was drawn down. The remaining £250,000 was drawn down in January 2018. Each tranche is repayable over two years.

A further facility to Cogora Group Limited of £250,000 was agreed and drawn down in February 2018.

### Post balance sheet events

Other than the matters described above, there were no material events during the period from 1 January 2018 to the date of this half-yearly report.

### Outlook

The Company is currently receiving capital and interest repayments of approximately £47,000 per month from the existing loan portfolio. As well as progressively de-risking the loan portfolio, these repayments provide liquidity for the Company to meet ongoing expenses and additional cash to pursue further lending opportunities in accordance with the Company original lending strategy. As a result, the Company has advanced more cash than it has received from investors.

## CHAIRMAN'S STATEMENT

---

The Lending Adviser continues to identify attractive lending opportunities where traditional lenders, particularly the banks, are either unwilling to lend or where the flexibility and competitive pricing and terms the Company can provide are more attractive. The Board therefore continues to be optimistic about the potential returns for the Company's investors.

**Jamie Perkins**

Chairman

1 March 2018

## PROVEN LEGACY PLC

### UNAUDITED CONDENSED INCOME STATEMENT FOR THE SIX MONTHS ENDED 31 DECEMBER 2017

---

	Six months ended 31 December 2017 (unaudited)	Period from 24 February 2016 to 30 June 2017 (audited)
	£	£
Income from loans	35,724	7,712
Administrative expenses	(35,084)	(99,138)
<b>Operating profit/(loss)</b>	<b>640</b>	<b>(91,426)</b>
Other income	50,000	-
Interest income	123	282
Bank charges	(229)	(248)
<b>Profit/(loss) on ordinary activities before taxation</b>	<b>50,534</b>	<b>(91,392)</b>
Taxation	-	-
<b>Profit/(loss) on ordinary activities after taxation</b>	<b>50,534</b>	<b>(91,392)</b>

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

The notes set out on pages 9 to 13 form part of this half-yearly report.

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF FINANCIAL POSITION  
AS AT 31 DECEMBER 2017**

		As at 31 December 2017 (unaudited)	As at 30 June 2017 (audited)
	Note	£	£
<b>Fixed Assets</b>			
Loans	9	810,861	696,462
<b>Current assets</b>			
Debtors		9,108	4,148
Cash at bank and in hand		401,577	189,485
<b>Creditors</b> – amounts falling due within one year		(59,402)	(32,235)
<b>Net current assets</b>		<b>351,283</b>	<b>161,398</b>
<b>Total assets less current liabilities</b>		<b>1,162,144</b>	<b>857,860</b>
<b>Capital and reserves</b>			
Called up share capital	8	12,032	9,495
Share premium		1,190,970	939,757
Revenue reserves		(40,858)	(91,392)
<b>Total equity shareholders' funds</b>		<b>1,162,144</b>	<b>857,860</b>
<b>Net Asset Value per Redeemable Growth Share</b>		<b>96.6p</b>	<b>90.4p</b>
<b>Net Asset Value per Redeemable Income Share</b>		<b>96.6p</b>	<b>90.4p</b>

The notes set out on pages 9 to 13 form part of this half-yearly report.

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF CHANGES IN EQUITY  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

<b>Period from 1 July 2017 to 31 December 2017 (unaudited)</b>	<b>Called up share capital</b>	<b>Share premium</b>	<b>Revenue reserve</b>	<b>Total</b>
	<b>£</b>	<b>£</b>	<b>£</b>	<b>£</b>
<b>At 1 July 2017</b>	9,495	939,757	(91,392)	<b>857,860</b>
Issue of new shares in the period	2,537	257,463	-	<b>260,000</b>
Share issue costs	-	(6,250)	-	<b>(6,250)</b>
Total comprehensive income	-	-	50,534	<b>50,534</b>
<b>At 31 December 2017</b>	<b>12,032</b>	<b>1,190,970</b>	<b>(40,858)</b>	<b>1,162,144</b>

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

The notes set out on pages 9 to 13 form part of this half-yearly report.

**PROVEN LEGACY PLC**

**UNAUDITED CONDENSED STATEMENT OF CASH FLOWS  
FOR THE SIX MONTHS ENDED 31 DECEMBER 2017**

	Six months ended 31 December 2017 (unaudited)	Period from 24 February 2016 to 30 June 2017 (audited)
	£	£
Profit/(loss) on ordinary activities after taxation	50,534	(91,392)
Loans advanced	(250,000)	(750,000)
Capital repayments received	135,601	53,538
Increase in debtors	(4,960)	(4,148)
Increase in creditors	27,167	32,235
<b>Net cash used in operating activities</b>	<b>(41,658)</b>	<b>(759,767)</b>
<b>Cash flows from investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>		
Proceeds from share issue	260,000	1,000,002
Share issue costs	(6,250)	(750)
Shares redeemed	-	(50,000)
<b>Net cash from financing</b>	<b>253,750</b>	<b>949,252</b>
<b>Increase in cash and cash equivalents</b>	<b>212,092</b>	<b>189,485</b>
<b>Cash at beginning of period</b>	<b>189,485</b>	<b>-</b>
Net cash inflow for the period	212,092	189,485
<b>Cash at end of period</b>	<b>401,577</b>	<b>189,485</b>

Included in profit/(loss) on ordinary activities after taxation for the six month period was bank interest received of £123 (period 24 February 2016 to 30 June 2017: £282).

The notes set out on pages 9 to 13 form part of this half-yearly report.

# **PROVEN LEGACY PLC**

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

---

### **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 period. Further details of principal accounting policies were disclosed in the Annual Report and Accounts for the period from 24 February 2016 to 30 June 2017.

#### **Income**

Interest receivable on loans is recognised on an accruals basis.

#### **Expenses**

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

#### **Loans**

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

#### **Cash at bank and in hand**

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

#### **Capital and reserves**

Capital and reserves for the Company represent the following:

Called up 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) All items in the Unaudited Condensed Income Statement derive from continuing operations.
- 3) There are no other items of comprehensive income other than those disclosed in the Unaudited Condensed Income Statement.
- 4) The Company has only one operating segment as reported to the Board of Directors in their capacity as chief operating decision makers and derives its income from loans arranged with a variety of small and medium sized UK private companies.
- 5) The comparative figures are in respect of the period from 24 February 2016 to 30 June 2017.
- 6) Basic and diluted NAV per share for the period has been calculated on 1,203,002 shares, being the

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

number of shares in issue at the period end.

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

During the period, £50,000 of set up costs paid by the Company under the Offer for Subscription dated 3 June 2016 were reimbursed to the Company by Beringea LLP. This amount will become payable to Beringea LLP if and when the Company's revenue reserves reach £100,000.

At 31 December 2017, the Company had no other contingent liabilities, guarantees and financial commitments.

**8) Share capital**

	(unaudited)		(audited)	
	31 December 2017		30 June 2017	
	Number	Amount £	Number	Amount £
Ordinary Shares of £1 each	2	2	2	2
Redeemable Growth Shares of £0.01 each	913,000	9,130	769,250	7,693
Redeemable Income Shares of £0.01 each	290,000	2,900	180,000	1,800
<b>Total</b>		<u>12,032</u>		<u>9,495</u>

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	143,750	1,437	110,000	1,100	-	-
Redeemed in the period	-	-	-	-	-	-
As at 31 December 2017	<u>913,000</u>	<u>9,130</u>	<u>290,000</u>	<u>2,900</u>	<u>2</u>	<u>2</u>

During the period, 143,750 Redeemable Growth Shares were issued at an average price of £1.00 per Redeemable Growth Share, with an aggregate consideration of £150,000 which excluded share issue costs of £6,250. 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.

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

---

**9) Loans**

**Period 1 July 2017 to 31 December 2017**

<i>Debt instruments measured at amortised cost</i>	£
Loans at 1 July 2017	696,462
Loans advanced	250,000
Capital repayments	<u>(135,601)</u>
<b>Loans at 31 December 2017</b>	<b><u>810,861</u></b>

**Period 24 February 2016 to 30 June 2017**

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

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

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

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

During the period from 1 July 2017 to 31 December 2017, fees payable to Beringea LLP in its capacity as Administration Manager amounted to £13,667. A total of £22,000 remains outstanding at 31 December 2017 in respect of administration fees.

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 7 August 2017. The promoter's fees in the period amounted to £6,250, out of which Beringea LLP paid certain costs of the offer as well as initial commissions.

- 11)** The unaudited financial statements set out herein have not been subject to review by the auditor and do not constitute statutory accounts within the meaning of Section 434 of the Companies Act 2006. They have therefore not been delivered to the Registrar of Companies. The figures for the period ended 30 June 2017 have been extracted from the financial statements for that period, which have been delivered to the Registrar of Companies; the Auditor's report on those financial statements was unqualified.
- 12)** The Directors confirm that, to the best of their knowledge, the half-yearly financial statements have been prepared in accordance with Financial Reporting Standard 104 issued by the Financial Reporting Council.

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

---

### 13) Principal risks

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

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

#### *Interest rate risk*

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

#### *Credit risk*

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

Cash is held by the Royal Bank of Scotland plc, rated 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	£ 401,577
Loans	810,861
	<u>1,212,438</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.

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

---

As at 31 December 2017, no creditors are past due.

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

	<b>Loans</b>	<b>Cash</b>	<b>Creditors</b>
	<b>£</b>	<b>£</b>	<b>£</b>
Receivable after more than 1 year	476,377	-	-
Receivable/(due) within 1 year	334,484	401,577	(59,402)
<b>Total</b>	<b>810,861</b>	<b>401,577</b>	<b>(59,402)</b>

**14) Going concern**

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

**15) Post balance sheet events**

The second tranche of the loan agreed with Think Limited was drawn down in January 2018.

A further loan commitment to Cogora Group Limited of £250,000 was agreed and drawn down in February 2018.

After the period and up to the date of this report, a further £350,000 was raised and allotted on 20 February 2018.

## 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**

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