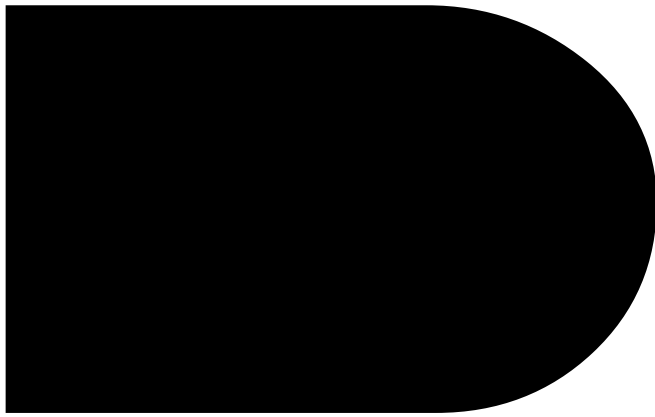


**THE INVESTMENT
MAGAZINE**

by: PROVEN Investments Limited

JUNE 2021 EDITION



UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

The Board of Directors of PROVEN Investments Limited ("PIL") is pleased to report its Unaudited Financial Statements for the quarter ended June 30, 2021.

FINANCIAL HIGHLIGHTS

US\$1.56 million	—	Net Profit Attributable to Shareholders
US\$0.0021	—	Earnings Per Share
US\$698.06 million	—	Consolidated Total Assets
8.51%	—	Trailing 12 Months Return on Average Equity
70.85%	—	Efficiency Ratio
US\$0.0010 per share	—	Quarterly Approved Dividend

Financial Performance

Net Profit Attributable to Owners of the Company (NPAO) totalled US\$1.56 million for the first quarter ended June 30, 2021, which represents an increase of 10.7% over Net Profit of US\$1.41 million earned in the quarter ended June 30, 2020. This increase reflects strong performance in all major revenue line items, however, the effect of this was partially offset by an increase in administrative and general expenses. This was mainly attributable to one off expense associated with the acquisition of Roberts Manufacturing Company Limited (50.5%) as well as the inclusion of this Company's expense in the Consolidated General and Administrative Expenses which were not included in the prior period.

The Company continues to significantly improve its diversified business model by taking advantage of opportunities available in a stressed market. The recently announced acquisitions of Heritage Education Funds and Fidelity Bank (Cayman) Limited are currently pending regulatory approval, and closures are anticipated in the latter part of 2021. The company continues to maintain its commitment to the execution of its core growth strategies and the protection of its stakeholders.

Statement of Financial Position

Total assets amounted to US\$698.06 million as at June 30, 2021, an increase of 15.7% over US\$603.42 million reported as at June 30, 2020. The increase in total assets emanates mainly from an increase in investments in Associates, Investment Property in Progress and cash and cash equivalents, reflecting the execution of key initiatives to grow the business both organically and inorganically. Liabilities increased by 6.0% to US\$517.18 million as at June 30, 2021, from US\$488.03 million as at June 30 2020. This was mainly due to an increase in customer deposits and client liabilities.

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WEALTH

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FOR THE QUARTER ENDED JUNE 30, 2021

Shareholders' Equity

Shareholders' Equity Attributable to Owners of the Company increased by 53.0% to US\$166.14 million as at June 30, 2021 from US\$108.58 million as at June 30, 2020. This was as a result of the successful execution of the APO in which US\$30 million equity was raised and a 21.3% increase in Retained Earnings. The Revaluation Reserve experienced a marked improvement from a loss of US\$5.25 million for the quarter ended June 2020 to a gain of US\$9.34 million for the quarter ended June 2021. There was also a positive change in the foreign exchange translation which, moved from a loss of US\$4.07 million as at June 30, 2020, to a gain of US\$3.21 million as at June 30, 2021.

Performance Drivers

PIL operates under three distinct business strategies, namely, (1) Core Banking & Wealth, (2) Real Estate and (3) Treasury and Portfolio Holdings.

1. CORE BANKING AND WEALTH

PROVEN Wealth Limited (PWL)

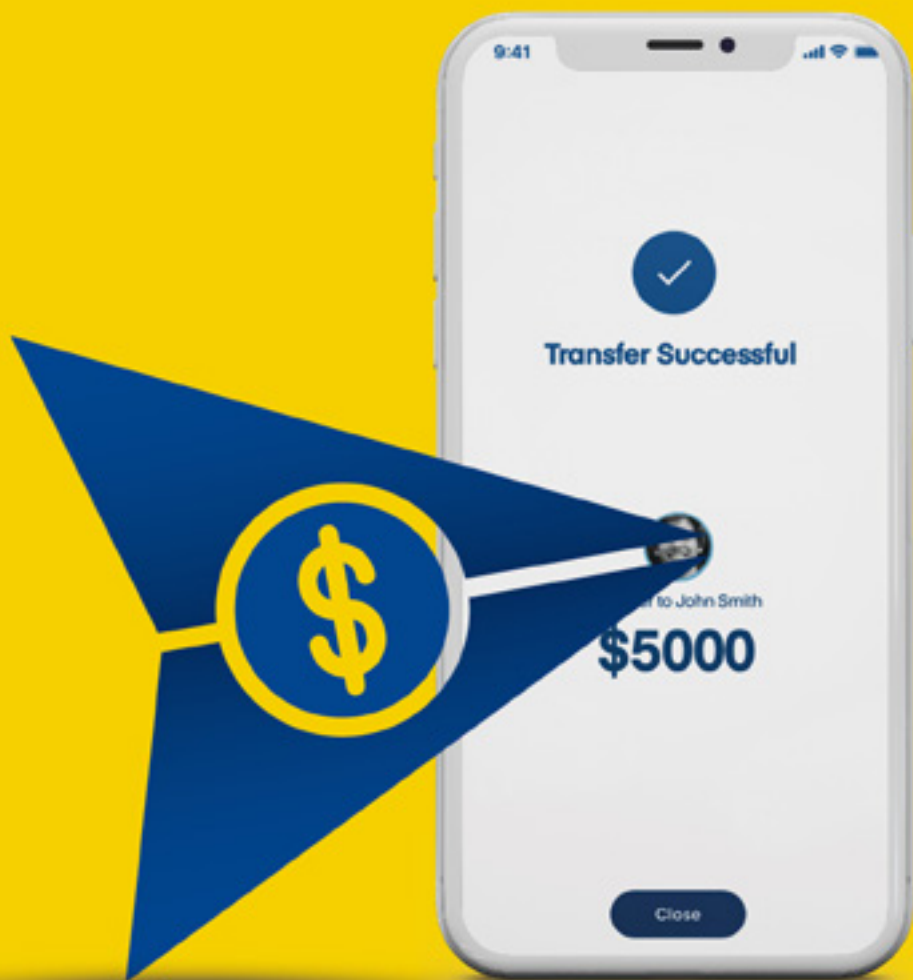
PWL reported Profit Attributable to Equity Holders of US\$0.54 million, representing a decline of 17.0% from the prior period ended June 30, 2020. Total Non-Net Interest Income accounted for 77% of Total Income, reflecting successful execution of the company's strategy to diversify revenue streams and reduce reliance on the repurchase agreement business. Securities Trading, Pension Management Income and Interest Income were the top performing line items during the period. Total Administrative and General Expenses amounted to US\$1.72 million, accounting for 26.2% of total Group Operating Expenses. Total Assets experienced a decline of 13.9% year over year to US\$94.92 million as at June 30, 2021. The decline in assets was primarily attributed to declines in Investments and Loan Receivables and a corresponding decline in Repo Balances. This reflects the Company's ongoing effort to transition to off balance sheet fee income, which is evidenced by a 13.6% year over year increase in total Assets Under Management.

PWL continues to focus on its strategy to grow its off-balance sheet wealth and advisory management business by offering innovative investment solutions to clients. PWL is also heavily focused on improving its operating efficiency aided by leveraging technology and FinTech solutions such as its Proven Wealth App, IPO Pro, and Global Trading Platform.

BOSLIL Bank Limited (BOSLIL)

PIL currently owns 75.0% of the equity of BOSLIL Bank Limited. The Bank recorded an impressive performance despite the challenging operating environment. This Asset delivered Net Profit totalling US\$1.09 million, a 33.3% decline from US\$1.63 million earned in the previous period. This resulted in US\$0.81 million in Profit Attributable to Equity Holders being realized for the quarter ended June 2021 compared to US\$1.22 million for the period ended June 30, 2020. The decline in Net Profit was predominantly driven by a decline in Interest Income and Securities Trading Gains which is likely to be reversed as focus shift to building out sustainable net interest income over the remainder of the 2021 Financial Year and effort to diversifying earnings comes to fruition. Additionally, Net Interest

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UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Income and Other Income accounted for 52.3% and 47.7% of Revenues respectively, reflecting the company's success in diversifying earnings in the overarching low interest rate climate.

BOSLIL's Efficiency Ratio was 50.0% for the period ended June 30, 2021, compared to 27.8% for the period ended June 30, 2020, due mainly to a 73.3% increase in expenses year-over-year. This increase in Total Administrative and General Expenses, reflects a significant reduction in the IFRS 9, Fair Value Gains and an increase in the IFRS 9 provisioning for Expected Credit Losses which is reflected in this line item. BOSLIL's total expenses accounted for 16.6% of total Group Operating Expenses. Total Assets of the Bank increased by 13.4% from US\$272.95 million as at June 30 2020 to US\$309.53 million as at June 30 2021, mainly due to a 50.3% growth in the company's cash balance. BOSLIL's overall performance was mainly driven by growth in its core business, reflecting continued improvements in asset-liability management and cost synergies which continue to drive the company's performance. PIL remains focused on executing on its corporate strategy for this asset which will result in the implementation of initiatives to drive the expansion of the balance sheet and further diversify and increase revenues.

International Financial Planning Limited (IFP)

IFP is a licensed independent investment advisor with offices in Cayman, Bermuda and the British Virgin Islands that caters to a variety of investors ranging from medium to high net-worth individuals. With a four-fold increase in Total Revenues, the company reported a profit of US\$0.05 million which represents a 37.3% increase compared to a profit of US\$0.04 million earned in the quarter ended June 30, 2020. The company's Fees and Commission continues to be affected by a decline in client activity as a result of the challenging macroeconomic environment. PIL continues its process of re-engineering this business and anticipates revenue enhancement and cost synergy measures to bear fruit in the medium to long term. IFP's operations are entirely focused on fees based on off balance sheet activities, and as a result 99.9% of its revenue is derived from fees and commissions which also contributed 53.7% to the overall Fees and Commission reported by the Group for the quarter ended June 30, 2021.

2. REAL ESTATE

Real Properties Limited (RPL)

RPL reported Profit Attributable to Equity Holders of US\$0.03 million. This performance contributed 1.9% to the Group's Net Profit Attributable to Owners of the Company (NPAO) and represents a decline of 34.3% compared to the previous year. There was a decline in the Net Proceeds from Sale which resulted from the fact that there were no development projects closing during the quarter. Revenues in this business segment are recognised only upon project completions. Projects are at various stages in the pipeline and PIL remains optimistic about the outlook for this Business.

Total assets stood at US\$48.81 million as at June 30, 2021 compared to US\$35.01 million reported at June 30, 2020, representing an increase of 39.4%. The Company continues to diversify its portfolio of real estate holdings which as at June 30, 2021, included five (5) rental income properties and

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

seven (7) development sales projects, all at various stages of the development cycle. RPL continues to closely monitor the local and international real estate markets for new opportunities while making the requisite adjustment to successfully navigate the uncertainties associated with developments around COVID-19.

Residential Development	Location	Description	Status/Projected Completion Date
The César	21 Millsborough Avenue, Kingston 6	6 Villas & 9 Apartments	November 2021
VIA at Bræmar	19-21 Bræmar Avenue, Kingston 5	99 Apartments (51 Studios, 30 One Bedrooms, 18 Two Bedrooms)	November 2021
Mystic Ridge	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	September 2023
AVISTA at Bloomfield	Bloomfield, Mandeville	78 Apartments (40 Studios, 20 One Bedroom, 18 Two Bedrooms)	December 2022
Grove Park (52% stake)	Grove Park Avenue, Kingston 8	76 Apartment (48 One Bedroom, 28 Two Bedrooms)	December 2022
Omega Drive (40% stake)	Omega Drive-Grand Cayman	13 Townhouses (9 Two Bedroom, 4 Three Bedroom)	July 2022
Pimento Grove (49% stake)	Cardiff Hall, St. Ann	85 Villas, 73 Townhomes, 48 Condominiums	March 2024
Rent/ Lease	Location	Description	Status/Projected Completion Date
Real NPW	Newport West, Kingston 13	29,680 SF of commercial space	100% Occupancy
Real Portmore Pine 1	Portmore Pines Plaza, Greater Portmore	26,908 SF of commercial space	100% Occupancy
Real Portmore Pines 2 (51% stake)	Portmore Pines Plaza, Greater Portmore	51,689 SF of commercial space	100% Occupancy
Gladstone Commercial (60% stake)	Gladstone Drive, Kingston 5	41,872 SF of commercial space	June 2021
Bloomfield Commercial	Bloomfield, Mandeville	~100,000 SF of commercial space	Projected Completion 2023

PROVEN

P O I N T E

Coming Soon... A PROVEN Head Office



- 5-storey office building
- Adequate parking
- Approximately 41,872 square feet (gross)
- Elevator access
- Basement plus ground level parking spaces

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

3. TREASURY AND PORTFOLIO HOLDINGS

Access Financial Services Limited (AFSL)

AFSL is recognized as an associate company resulting in the recognition of a share of its profit. AFSL's contribution for the quarter ended June 30, 2021, amounted to US\$0.14 million versus US\$0.06 million for the quarter ended June 30, 2020. Despite the pandemic the company remained resilient and achieved commendable results relative to budget. PIL's Corporate Strategy around this business is still undergoing transformation which is anticipated to provide incremental growth in the medium to long term.

JMMB Group Limited (JMMB)

JMMB is an associate company which contributed an estimated US\$2.29 million in the form of Share of Profit for the quarter ended June 30, 2021, compared to US\$1.48 million earned for the quarter ended June 30, 2020. This Share of Profit adjusted for the interest expense associated with the investment, results in a net contribution of US\$1.75 million. The investment in JMMB continues to provide incremental growth despite its below average cashflow yield relative to other Portfolio Assets, however, with the relaxation of the dividend restrictions imposed in the prior year we anticipate some improvement in the upcoming year. JMMB's expanding presence in the onshore banking and insurance sub-industry within the region is consistent with PIL's ongoing strategy to diversify the portfolio of investments across the twenty-four (24) countries of the Caribbean and Latin America.

Dream Entertainment Limited (DREAM)

In February 2019, PIL acquired a 20.0% equity stake in DREAM. The greater part of 2020 was spent on restructuring Dream's organisational structure to improve operating efficiency while realising some level of integration into the PIL structure. Over the past 12 months, the focus has shifted to managing cashflow as it navigated the COVID-19 pandemic realising the benefits of the restructuring initiatives undertaken in the prior year. The Management of Dream remains confident and looks forward to the reopening of the Entertainment Sector.

Roberts Manufacturing Company Limited (RMCO)

We are pleased to report the successful completion of this acquisition on June 8, 2021. RMCO will be a consolidated entity given PIL's 50.5% ownership of the Company. Since completion, PIL has appointed Peter Bunting and Christopher Williams as Chairman and Director respectively to the Boards of RMCO and its 60% owned subsidiary Pinnacle Feeds. The new Board has since met and PIL is well on its path to aligning its Corporate Strategy for this Investment. The next six (6) months will be focused on post-acquisition transition aimed at forging a strategic path in partnership with Ansa McAl Limited, the owner of the remaining shares. PIL is committed to supporting capital investments and strategic direction required to optimise the operations to enable ambitions for regional and extra regional growth. Commencing in the 3rd quarter 2021, Financial Performance reporting will be provided. In addition to the net profit contribution, Shareholders of PIL will benefit from the robust cashflow generating capacity of this Investment.

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Treasury

PIL and PIL Holdings Limited combined, generated Net Profits of US\$0.098 million (net of all intercompany income and charges) for the quarter ended June 30, 2021, compared to a loss of US\$0.35 million reported for the quarter ended June 30, 2020. PIL continues to optimize the balance sheet mix and aggressively pursue growth opportunities consistent with our strategic focus. This is expected to reap benefits over the near to medium term.

Net Interest income (NII) registered a loss of US\$0.66 million largely reflecting debt servicing obligations associated with wholesale funding of the JMMB share acquisition. Total Administrative and General Expenses amounted to US\$2.06 million, accounting for 31.5% of total Group Operating Expenses while Preference Dividend totalled US\$0.14 million.

Dividend Payment

The Board of Directors approved a quarterly dividend of US\$0.0010 per share to all Ordinary Shareholders on record as of August 27, 2021, to be paid on September 10, 2021. This represents a trailing twelve-month (TTM) tax-free dividend yield of 2.38% based on the average share price of US\$0.26 for the quarter ended June 30, 2021.

The Board of Directors takes this opportunity to thank all our stakeholders for their support and trust. Our continued success is a result of the dedication of Management and our Staff, and we thank them for their loyalty and commitment.

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- 🌀 Credit Cards
- 🌀 Saint Lucia IBCs
- 🌀 Private Investment Funds
- 🌀 Personalised Service

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Un-Audited Consolidated Statement of Financial Position June 30, 2021

	JUNE 2021 US\$	JUNE 2020 US\$	MARCH 2021 US\$
ASSETS			
Cash and cash equivalents	143,224,390	91,155,986	151,859,308
Resale agreements	9,890,436	5,039,224	6,457,738
Investment securities	251,975,664	285,939,259	265,290,973
Investment in Associates	150,094,468	120,528,955	146,173,680
Loans Receivable	35,269,031	27,324,241	31,961,978
Other Receivables	18,613,535	31,731,418	14,313,462
Property Development In Progress	16,898,952	5,992,003	12,701,263
Property Held For Development	10,385,582	-	10,385,582
Inventory	6,352,830	-	-
Investment Property	10,676,500	12,292,551	10,943,806
Intangible Assets	34,305,740	19,402,516	20,441,119
Property, plant and equipment	10,368,667	4,018,224	4,013,297
Total Assets	698,055,795	603,424,377	674,542,206
LIABILITIES			
Client liabilities	75,684,626	71,802,445	68,838,777
Related company	443,957	1,235,983	1,547,632
Notes Payable	141,650,296	148,987,001	134,844,901
Preference shares	1,000	1,000	1,000
Other liabilities	20,502,973	26,297,774	13,591,088
Due to Customers	278,901,726	239,701,296	286,293,209
Total Liabilities	517,184,578	488,025,500	505,116,607
SHARE HOLDERS' EQUITY			
Share capital	115,753,819	86,716,754	115,753,819
Investment revaluation reserve	9,339,159	(5,250,474)	6,867,331
Foreign exchange translation	3,206,098	(4,074,427)	2,783,039
Retained earnings	37,837,033	31,189,826	36,277,363
Total Shareholders' Equity	166,136,109	108,581,679	161,681,552
Minority Interest	14,735,108	6,817,198	7,744,047
Total Shareholders' Equity and Liabilities	698,055,795	603,424,377	674,542,206

Approved for Issue by the Board of Directors and signed on its behalf by



Director



Director

Director

Roberts

For the of Cooking!



For over 76 years, Roberts Manufacturing Co. Limited has played a leading role in feeding the region, by manufacturing quality products. Manufactured in Barbados, our products are exported regionally and to the USA.

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UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Un-Audited Consolidated Statement of Income for the period ended June 30, 2021

	Quarter ended June 2021	Quarter ended June 2020	Audited March 2021
	US\$	US\$	US\$
INCOME			
Interest Income	2,631,812	3,090,495	10,583,177
Interest expense	(1,684,223)	(2,210,253)	(7,545,791)
Net Interest income	<u>947,589</u>	<u>880,242</u>	<u>3,037,386</u>
Other income			
Gains on securities trading	1,169,408	372,683	7,332,202
Dividend Income	59,025	3,769	41,397
Pension Management Income	850,573	782,625	3,174,075
Fees & Commissions	1,743,273	1,481,265	7,118,639
Net Gross Income from Manufacturing	197,757	-	-
Foreign exchange translation gains/(losses)	258,698	381,191	1,880,294
Other Income	1,274,226	1,340,319	3,933,640
	<u>5,552,960</u>	<u>4,361,852</u>	<u>23,480,247</u>
NET REVENUE	6,500,549	5,242,094	26,517,633
OPERATING EXPENSES			
Depreciation and Ammortization of Intangibles	665,411	440,260	1,868,352
IFRS 9 Provisioning	98,212	(11,672)	(164,681)
Administrative and General Expenses	6,035,194	4,165,902	18,639,649
	<u>6,798,817</u>	<u>4,594,490</u>	<u>20,343,320</u>
OPERATING PROFIT	(298,268)	647,604	6,174,313
Preference dividend	(143,888)	(211,974)	(2,743,145)
Share of Results of Associates	2,435,643	1,541,947	10,698,887
	<u>2,291,755</u>	<u>1,329,973</u>	<u>7,955,742</u>
Profit before income tax	1,993,487	1,977,578	14,130,055
Income tax	(280,378)	(160,845)	(1,032,500)
NET PROFIT	1,713,109	1,816,732	13,097,555
Less income attributable to non-controlling interest	(153,439)	(407,479)	(1,564,513)
Profit attributable to owners of the company	<u>1,559,670</u>	<u>1,409,253</u>	<u>11,533,042</u>
EARNINGS PER STOCK UNIT - US cents	0.21	0.23	1.81

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Un-Audited Consolidated Statement of Comprehensive Income for the period ended June 30, 2021

	Quarter ended June 2021	Quarter ended June 2020	Period ended March 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
NET PROFIT	1,713,109	1,816,732	13,097,555
OTHER COMPREHENSIVE INCOME			
Items that are or may be reclassified to profit or loss:			
Unrealised Gain on investments securities	2,471,828	9,614,139	22,507,072
Foreign exchange translation reserve	423,059	(1,452,165)	5,326,301
Total Comprehensive income	<u>4,607,996</u>	<u>9,978,706</u>	<u>40,930,928</u>

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Un-Audited Consolidated Statement of Changes in Equity for the period ended June 30, 2021

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2021	115,753,819	7,744,047	6,867,331	2,783,039	36,277,363	169,425,599
Total Comprehensive Income for the period		153,439	2,471,828	423,059	1,559,670	4,607,996
Acquisition of Subsidiary		7,137,622	-	-	-	7,137,622
Dividends to equity holders		(300,000)			-	(300,000)
Balance at June 30, 2021	<u>115,753,819</u>	<u>14,735,108</u>	<u>9,339,159</u>	<u>3,206,098</u>	<u>37,837,033</u>	<u>180,871,217</u>

Un-Audited Consolidated Statement of Changes in Equity for the period ended June 30, 2020

	Share capital	Minority Interest	Investment Revaluation reserve	Foreign exchange translation	Retained earnings	Total
	US\$	US\$	US\$	US\$	US\$	US\$
Balance at April 1, 2020	86,716,754	6,409,719	(14,864,613)	(2,622,262)	29,780,573	105,420,172
Total Comprehensive (Loss)/Income for the period	-	407,479	9,614,139	(1,452,165)	1,409,253	9,978,704
Dividends to equity holders	-	-	-	-	-	-
Balance at June 30, 2020	<u>86,716,754</u>	<u>6,817,199</u>	<u>(5,250,474)</u>	<u>(4,074,427)</u>	<u>31,189,826</u>	<u>115,398,876</u>

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

Un-Audited Consolidated Statement of Cash Flows for the period ended June 30, 2021

	Period ended June 2021	Period ended June 2020	Audited March 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
CASH FLOWS FROM OPERATING ACTIVITIES:			
Profit attributable to owners of the company	1,559,670	1,409,253	11,533,042
Depreciation and Amortization	665,411	440,260	1,868,352
Income Tax Charge	280,378	160,845	1,032,500
Operating cashflow before movements in working capital	<u>2,505,459</u>	<u>2,010,358</u>	<u>14,433,894</u>
Changes in operating assets and liabilities			
Receivables	(2,880,622)	(5,059,151)	(21,209,844)
Inventory	(6,352,830)	-	-
Loans	(3,307,053)	1,530,763	(3,106,974)
Client Liabilities	(9,621,305)	(10,031,984)	35,242,385
Payables	6,657,340	2,436,016	2,266,849
Investments	15,787,137	15,070,973	47,837,064
Related company	<u>(1,103,675)</u>	<u>304,053</u>	<u>615,702</u>
Net cash from operating activities	<u>1,684,451</u>	<u>6,261,028</u>	<u>76,079,076</u>
CASH FLOWS FROM INVESTING ACTIVITIES:			
Loans			
Investments in associates	(3,920,788)	(1,541,797)	(27,186,522)
Purchase of property ,plant and equipment	(6,579,776)	(1,127,586)	(1,648,250)
Purchase/Disposal of intangible asset	(14,305,626)	(482,232)	(2,423,337)
Purchase of Investment Properties	267,306	(22,125)	1,326,620
Net cash used in investing activities	<u>(24,538,884)</u>	<u>(3,173,740)</u>	<u>(29,931,489)</u>
CASH FLOWS FROM FINANCING ACTIVITIES:			
Notes payable	6,805,395	(5,515,507)	(19,657,607)
Minority Interest	6,991,061	407,479	1,334,327
Dividend Paid	-	-	(5,036,257)
Issue of Ordinary Shares	-	-	29,037,065
Foreign Exchange Translation	<u>423,059</u>	<u>(1,452,165)</u>	<u>5,405,301</u>
Net cash used in financing activities	<u>14,219,515</u>	<u>(6,560,195)</u>	<u>11,082,829</u>
NET(DECREASE)/INCREASE IN CASH AND CASH EQUIVALENTS	<u>(8,634,918)</u>	<u>(3,472,905)</u>	<u>57,230,416</u>
Cash and cash equivalents at beginning of period	151,859,308	94,628,891	94,628,892
CASH AND CASH EQUIVALENTS AT END OF PERIOD	<u>143,224,390</u>	<u>91,155,986</u>	<u>151,859,308</u>

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

NOTES TO FINANCIAL STATEMENTS: JUNE 2021

1. IDENTIFICATION

PROVEN Investments Limited (“the Company”) is incorporated in Saint Lucia under the International Business Companies Act. The Company is domiciled in Saint Lucia, with registered office at 20 Micoud Street, Castries, Saint Lucia.

The primary activities of the Company are the holding of tradable securities for investment purposes and holding other investments.

SUBSIDIARIES	Country of Incorporation	Nature of Business	Percentage ownership	
			2021	2020
Proven Wealth Limited	Jamaica	Fund management, investment advisory services, and money market and equity trading	100	100
Proven REIT Limited and its wholly owned subsidiary:	St. Lucia	Real Estate Investment	100	100
Proven Kingsway Limited	St. Lucia	Real Estate Investment	100	100
Asset Management Company Limited	Jamaica	Hire Purchase Financing	100	100
International Financial Planning Jamaica Limited	Jamaica	Funds Management	100	100
BOSLIL Bank Limited	St. Lucia	Banking	75	75
International Financial Planning (Cayman Limited)	Cayman Islands	Funds Management	100	100
Proven Holding Limited	Jamaica	Investment Advisory Services	100	100
Roberts Manufacturing Company Limited	Barbados	Manufacturing	50.50	-
ASSOCIATE COMPANIES				
JMMB Group	Jamaica	Investment advisory, Banking, Market and equity	20.01	20.01
DREAM Entertainment Limited	Jamaica	Entertainment	20	20
Access Financial Services Limited	Jamaica	Retail lending	24.72	24.72

2. STATEMENT OF COMPLIANCE AND BASIS OF PREPARATION

Interim Financial Reporting

The condensed consolidated interim financial statements for the three months ended June 30, 2021, have been prepared in accordance with IAS 34, ‘Interim financial reporting’. The condensed consolidated interim financial statements should be read in conjunction with the annual financial statements for the year ended March 31, 2021, which have been prepared in accordance with International Financial Reporting Standards (IFRS).

UN-AUDITED FINANCIAL STATEMENTS

FOR THE QUARTER ENDED JUNE 30, 2021

On June 8, 2021, the company completed its acquisition of Roberts Manufacturing Company Limited. The accounting process for this business combination is incomplete for particular assets, liabilities, non-controlling interests or items of consideration and the amounts recognized in the financial statements for the business combination thus have been determined only provisionally. An acquirer has a maximum period of 12 months from the date of acquisition to finalize the acquisition accounting Reporting Standards (IFRS).

SIGNIFICANT ACCOUNTING POLICIES

3. Basis of Consolidation:

The consolidated financial statements combine the financial position, results of operations and cash flows of the Company and its subsidiaries (note 1), subject to the eliminations described at note 3(b).

3(a). Subsidiaries:

Subsidiaries are all entities controlled by the Group. Control exists when the Group has the power, directly or indirectly, to govern the financial and operating policies of an entity so as to obtain benefits from its activities. In assessing control, potential voting rights that presently are exercisable, or exercisable after conversion of convertible instruments, are taken into account. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date that control ceases.

3(b). Transactions Eliminated on Consolidation:

Intra-Group balances and any unrealised gains and losses and income and expenses arising from intra-group transactions are eliminated in preparing the consolidated financial statements. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment of the Group's interest.

4. Classification of Financial Assets:

Fair value through other comprehensive income

Financial assets that are held for collection of contractual cash flows and for selling the assets, where the assets' cash flows represent solely payments of principal and interest, and that are not designated at FVTPL are carried at fair value through other comprehensive income. On initial recognition of an equity investment that is not held for trading, the Group may irrevocably elect, on an investment-by-investment basis, to present subsequent changes in the investment's fair value in OCI.

Investments at Fair Value Through Profit or Loss:

The Group carries some investment securities at fair value through profit or loss if they are held for trading or designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein are recognised in profit or loss.

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Loans and receivables:

Loans and receivables are non-derivative financial assets with fixed or determinable payments, that are not quoted in an active market, and that the Group does not intend to sell immediately or in the near term. Loans and receivables are measured at amortized cost using the effective interest method, except when the Group chooses to designate the loans and receivables at fair value through profit or loss.

5. Resale Agreements

The company purchases government and corporate securities and agrees to resell them at a specified date at a specified price. On making payment the company takes delivery of the securities from the vendor although title is not transferred unless the company does not resell the securities on the specified date or other conditions are not honoured. Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfil its contractual obligations.

6. Interest Income:

Interest income is recognised in profit or loss for all interest-earning instruments on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial asset to its carrying amount. The effective interest rate is established on initial recognition of the financial asset and is not revised subsequently. Interest income includes coupons earned on fixed income investments, accretion of discount on treasury bills and other discounted instruments, and amortisation of premium on instruments bought at a premium.

7. Interest Expense:

Interest expense is recognised in profit or loss on the accrual basis using the effective interest method. The effective interest rate is the rate that exactly discounts the estimated future cash payments through the expected life of the financial liability to its carrying amount. The effective interest rate is established on initial recognition of the financial liability and is not revised subsequently. Interest expense includes coupons paid on fixed rate liabilities and accretion of discount or amortization of premium on instruments issued at other than par.

8. Share Capital:

The Group classifies capital instruments as financial liabilities or equity instruments in accordance with the substance of the contractual terms of the instrument. In the case of its preference share capital, it is classified as:

- (i) equity if it is non-redeemable, or redeemable only at the Group's option, and any dividends are discretionary; in such a case, dividends thereon are recognised as distributions within equity;
- (ii) liability if it is redeemable on a specific date or at the option of the stockholders, or if dividends are not discretionary; in such a case dividend thereon are recognised as interest in profit or loss.

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The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they are presented as a financial liability. Incremental costs directly attributable to the issue of an equity instrument are deducted from the initial measurement of the equity instruments.

9. Earnings Per Stock Unit

PROVEN Investments Limited's Earning per Stock Unit "EPS" is computed by dividing the profit attributable to stockholders of the parent of US\$1,559,670 by the weighted average number of ordinary stock units in issue during the reporting period numbering 759,432,000 shares.

PROVEN

Investments Limited

We would like to take this opportunity to thank all of our stakeholders for your support and trust.

Our continued success is as a result of the dedication of our Directors, Management and Staff and we thank them for their loyalty and commitment.



Director



Director

