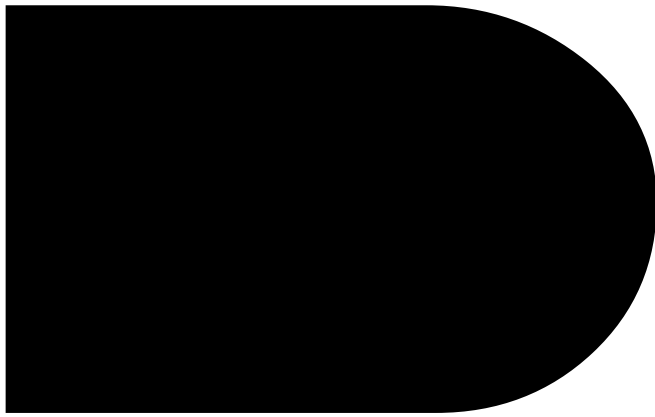


THE INVESTMENT  
**MAGAZINE**

by: PROVEN Investments Limited

.....  
**DECEMBER 2021** EDITION



# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

The Board of Directors of PROVEN Investments Limited ("PIL") is pleased to report its Unaudited Financial Statements for the nine-month period ended December 31, 2021.

### FINANCIAL HIGHLIGHTS

**US\$10.09 million** — Net Profit Attributable to Owners

**US\$0.0133** — Earnings Per Share

**US\$754 million** — Consolidated Total Assets

**10%** — Trailing 12 Months (TTM) Return on Average Equity

**67%** — Efficiency Ratio

**US\$0.0041 per share** — Quarterly Approved Dividend

**US\$754 million** — On-Balance Sheet AUM

**US\$820 million** — Off-Balance Sheet AUM

### Financial Performance

During the nine months ended December 31, 2021 (the period), PIL reported growth of its balance sheet and increased profitability despite headwinds such as the Omicron variant, inflation, and supply chain bottlenecks. The company experienced top-line net revenue growth of 49% compared to the same period last year. This stemmed from the growth of PIL's portfolio companies as well as the inclusion of the results of Robert's Manufacturing Company Limited. Group Net Profit Attributable to Owners (NPAO) totalled US\$10.09 million for the period, which represents an increase of 60% compared to the amount of US\$6.31 million earned in the prior period.

### Statement of Financial Position

Total Assets Under Management amounted to US\$1.57 billion as at December 31, 2021, of which US\$820 million represents Off-Balance Sheet Assets managed on behalf of clients. Total Balance Sheet Asset amounted to US\$754 million, an increase of 16% compared to US\$650 million reported as at December 31, 2020. This increase was driven mainly by the addition of Roberts Manufacturing Company Limited and Heritage Fund International Limited and a 30% increase in cash and cash equivalents. Liabilities increased by 13% to US\$573 million over the period, from US\$506 million as at December 31, 2020. This was mainly attributed to growth in the Due to Customers line item which recorded a 23% increase to US\$319 million over the nine-month period ended December 2021. This reflects core growth in the existing operations.

### Shareholders' Equity

Shareholders' Equity Attributable to Owners of the Company increased by 21% to US\$164 million over the period from US\$136 million as at December 31, 2020. This was driven by the successful equity raise of US\$30 million completed in February 2021 and a 36% increase in Retained Earnings over the twelve-month period.

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WEALTH

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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### Performance Drivers

PIL organizes its investments in three divisions, namely: (1) Banking & Wealth Management, (2) Real Estate, and (3) Portfolio Holdings.

## 1. BANKING AND WEALTH

### PROVEN Wealth Limited (PWL)

PWL reported a Net Profit of US\$1.4 million, compared to US\$1.8 million for the prior period. Fee and Other Income accounted for 77% of Total Income, reflecting a 5% increase compared to the prior period. This demonstrates the successful execution of the company's strategy to diversify its revenue streams. Fees and Commissions Income and Pension Management Income were the top-performing line items during the period. Total Administrative and General Expenses amounted to US\$5.30 million, accounting for 20% of Total Group Operating Expenses. Total Off-Balance Sheet Funds Under Management stood at J\$73.34 billion compared to J\$71.20 billion as at December 31, 2020.

PWL continues to focus on implementing a new digital strategy to improve customer experience and operational efficiency. During the period, the company launched an upgrade to its Customer Relation Management Platform.

### BOSLIL Bank Limited (BOSLIL)

This Entity delivered Net Profit totalling US\$2.50 million during the period, compared to US\$5.92 million earned in the period ended December 31, 2020. This resulted in US\$1.90 million in Profit to PIL. This decline in Net Profit was predominantly driven by an 85% decline in Securities Trading Gains to US\$0.54 million compared to US\$3.53 million recorded during the prior period. The extraordinary gain in the prior period reflects the Bank's tactical positioning which took advantage of market opportunities at the time.

Total Assets of the Bank increased by 19% from US\$291.70 million as at December 31, 2020, to US\$348.08 million as at the end of the period, mainly due to a 150% increase in loan receivables and a 33% increase in Bank and Cash Balances. The bank also saw strong growth in customer deposits which rose by 23% period over period from US\$258.70 million as at December 31, 2020, to US\$319.14 million as at the end of the period. This reflects the successful execution of the Bank's core growth initiatives over the 12-month period.

Amidst the rising interest rate environment, the company is focused on the steady implementation of strategies to make the portfolio resilient against interest rate shocks while building a quality loan portfolio. Both initiatives are expected to boost Net Interest Income in the medium to long term.

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# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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### **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. The Company standalone reported a 2.26% increase in Total Revenues, however, expenses increased by 11%, resulting in a loss of US\$0.33 million during the period compared to a net profit of US\$0.25 million in the prior period. The company's Fees and Commission and Other Income continue to be affected by the decline in client activity stemming from the challenging environment associated with the Pandemic.

### **Heritage Education Funds International Inc.**

Heritage Education Funds International was acquired in September 2021. This business specializes in administering and managing Education Savings Plans (ESPs) for clients in the Bahamas, Bermuda, Jamaica, and the British Virgin Islands, and has enrolled over 50,000 children in its Heritage International Plan since its inception in 1983 and oversees approximately US\$150 million in assets under management. Heritage recorded a Net Profit of US\$0.09 million over the period, driven by fee income produced by its core activities. The company reported an Efficiency Ratio of 82% over the period ended December 2021.

### **Fidelity Bank**

PIL is pleased to announce that regulatory approval for the acquisition of Fidelity Bank (Cayman) Limited (FBC) was granted and the transaction was closed on February 1, 2022. FBC is a financial services company incorporated in the Cayman Islands and licensed under the Bank and Trust Companies Act as a Category 'A' Bank to carry on banking business in the Cayman Islands. With two (2) branches in Grand Cayman, FBC provides services to residents and non-residents; offering financial solutions such as deposit accounts (savings, chequing, and term); loans (consumer/personal, mortgage/real estate); credit cards; foreign exchange services; internet and telephone banking. As at December 31, 2020, FBC had total assets in excess of US\$350 million.

## 2. REAL ESTATE

As part of PIL's strategy to leverage its brand, "Real Properties Limited" was changed to "Proven Properties Limited" (PPL) in 2021. The real estate segment of PIL's portfolio is poised to deliver solid performance in this financial year. It is on track to achieve the completion of two (2) of its developments (Cesar and Via at Bræmar) in Q4.

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### PROVEN Properties Limited (PPL)

Residential Development	Location	Description	Status/Projected Completion Date
The César	21 Millsborough Avenue, Kingston 6	6 Villas & 9 Apartments	March 2022
VIA at Bræmar	19-21 Bræmar Avenue, Kingston 5	99 Apartments (51 Studios, 30 One Bedrooms, 18 Two Bedrooms)	March 2022
The Lagoons (40% stake)	Omega Drive-Grand Cayman	13 Townhouses (9 Two Bedroom, 4 Three Bedroom)	July 2022
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
Sol Harbour	Milford Road, St. Ann	156 Apartments (144 Studios, 12 Two Bedrooms)	December 2023
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
Chelsea Lands	12 Chelsea Avenue, Kingston 5	0.47 acres of land for parking	100% Occupancy
Gladstone Commercial (60% stake)	Gladstone Drive, Kingston 5	41,872 SF of commercial space	July 2022
Bloomfield Commercial	Bloomfield, Mandeville	100,000 SF of commercial space	Projected Completion 2023

# PROVEN

P L A C 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



# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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PPL reported a Net Profit of US\$1.24 million. This performance contributed 12% to the Group's Net Profit Attributable to Owners of the Company (NPAO), broadly in line with the previous comparable period. There was a 2% increase in the Net Proceeds from Rental during the period while Net Proceeds from Sale remained negligible because no development projects were closed during the period. Revenue in this business segment is recognized only upon project completion. Total Assets stood at US\$58.27 million as at the end of the period compared to US\$42.69 million reported at December 31, 2020, representing an increase of 37%, which reflects incremental investments in properties under construction.

The Company continues to diversify its portfolio of real estate holdings which as at the end of the period included the addition of a 6th rental income property, in addition to its seven (7) development sales projects, two of which are earmarked for completion within the current financial year.

### 3. PORTFOLIO HOLDINGS

This Division comprises all investments not included in either the Banking and Wealth Management or the Real Estate Divisions.

#### **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 during the period amounted to US\$0.45 million compared to US\$0.22 million for the period ended December 31, 2020. Despite the pandemic, the company has registered improved results in line with budgeted expectations due to both cost containment and improving interest income.

#### **JMMB Group Limited (JMMB)**

JMMB is an associate company that contributed US\$11.60 million in the form of Share of Profit for the period, compared to US\$5.34 million earned for the period ended December 31, 2020. This Share of Profit adjusted for the interest expense associated with the investment results in a net contribution of US\$10.20 million. The investment in JMMB is performing well overall and has demonstrated an improved cash flow generation with two dividend declarations in the current period.

#### **Roberts Manufacturing Company Limited (RMCO)**

During the period, PIL successfully completed the acquisition of RMCO, a producer of edible oils and other food products. Net Profit attributable to PIL for its 50.50% stake totalled US\$2.25 million. The Efficiency Ratio was reported at 63% for the period ended December 2021, with both Gross and Net Profit Margin on an improving trajectory since acquisition.

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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### **Dividend Payment**

The Board of Directors approved a quarterly dividend of US\$0.0041 per share to all Ordinary Shareholders on record as of February 24, 2022, to be paid on March 9, 2022. This represents a trailing twelve-month (TTM) tax-free dividend yield of 3.11% based on the average share price of US\$0.246 for the twelve months ended December 31, 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 Staff, and the patronage of our valued clients.

# EXPERIENCE OFFERS A BROADER PERSPECTIVE

**Experience the benefits of our view.**  
**We offer a range of financial services, including:**

- 🌀 **Transactional Banking**
- 🌀 **Online Banking**
- 🌀 **A Multi-Currency Platform**
- 🌀 **Cash Secured Lending**
- 🌀 **Credit Cards**
- 🌀 **Saint Lucia IBCs**
- 🌀 **Private Investment Funds**
- 🌀 **Personalised Service**

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### Unaudited Consolidated Statement of Financial Position December 31, 2021

	DECEMBER 2021 US\$	DECEMBER 2020 US\$	MARCH 2021 US\$
<b>ASSETS</b>			
Cash and cash equivalents	166,678,663	127,931,408	151,859,308
Resale agreements	13,853,702	6,238,524	6,457,738
Investment securities	252,683,229	259,057,578	265,290,973
Investment in Associates	152,206,032	145,999,423	146,173,680
Loans Receivable	36,325,669	32,717,459	31,961,978
Other Receivables	20,555,708	33,335,527	14,313,462
Related Company	700,663	-	-
Property Development In Progress	24,678,011	9,811,412	12,701,263
Property Held For Development	10,811,064	-	10,385,582
Inventory	7,255,942	-	-
Investment Property	12,367,515	10,945,468	10,943,806
Intangible Assets	44,560,110	19,681,902	20,441,119
Property, plant and equipment	11,504,998	4,008,882	4,013,297
<b>Total Assets</b>	<b>754,181,307</b>	<b>649,727,583</b>	<b>674,542,206</b>
<b>LIABILITIES</b>			
Client liabilities	76,358,963	73,976,191	68,838,777
Related company	3,043,356	109,308	1,547,632
Notes Payable	149,485,800	149,774,398	134,844,901
Preference shares	1,000	1,000	1,000
Other liabilities	25,095,838	23,655,026	13,591,088
Due to Customers	319,337,921	258,876,413	286,293,209
<b>Total Liabilities</b>	<b>573,322,878</b>	<b>506,392,336</b>	<b>505,116,607</b>
<b>SHARE HOLDERS' EQUITY</b>			
Share capital	115,753,819	86,716,754	115,753,819
Investment revaluation reserve	(158,981)	17,386,770	6,867,331
Foreign exchange translation	5,339,997	101,930	2,783,039
Retained earnings	43,322,087	31,965,835	36,277,363
<b>Total Shareholders' Equity</b>	<b>164,256,922</b>	<b>136,171,289</b>	<b>161,681,552</b>
Minority Interest	16,601,507	7,163,958	7,744,047
<b>Total Shareholders' Equity and Liabilities</b>	<b>754,181,307</b>	<b>649,727,583</b>	<b>674,542,206</b>

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



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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# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### Unaudited Consolidated Statement of Income for the period ended December 31, 2021

	Quarter ended December 2021	Quarter ended December 2020	Period ended December 2021	Period ended December 2020	Audited March 2021
	US\$	US\$	US\$	US\$	US\$
<b>INCOME</b>					
Interest Income	2,961,628	2,533,383	8,368,559	8,534,571	10,583,177
Interest expense	(2,027,227)	(1,834,560)	(5,425,631)	(6,293,785)	(7,545,791)
<b>Net Interest income</b>	<u>934,401</u>	<u>698,823</u>	<u>2,942,928</u>	<u>2,240,786</u>	<u>3,037,386</u>
<b>Other income</b>					
Gains on securities trading	25,482	922,969	1,579,214	5,688,408	7,332,202
Dividend Income	41,794	17,677	129,828	27,789	41,397
Pension Management Income	828,508	794,866	2,506,132	2,362,808	3,174,075
Fees & Commissions	2,773,042	1,677,559	6,619,292	5,077,251	7,118,639
Net Gross Income from Manufacturing	4,350,404	-	9,395,613	-	-
Foreign exchange translation gains/(losses)	226,753	353,599	788,833	985,999	1,880,294
Other Income	1,448,726	514,172	4,318,657	2,638,280	3,933,640
	<u>9,694,709</u>	<u>4,280,842</u>	<u>25,337,569</u>	<u>16,780,535</u>	<u>23,480,247</u>
<b>NET REVENUE</b>	<b>10,629,110</b>	<b>4,979,665</b>	<b>28,280,497</b>	<b>19,021,321</b>	<b>26,517,633</b>
<b>OPERATING EXPENSES</b>					
Depreciation and Ammortization of Intangibles	774,127	455,925	2,137,114	1,343,788	1,868,352
IFRS 9 Provisioning	(33,858)	(31,433)	79,474	(215,624)	(164,681)
Administrative and General Expenses	8,528,161	4,535,545	22,670,288	13,460,161	18,643,649
	<u>9,268,430</u>	<u>4,960,037</u>	<u>24,886,876</u>	<u>14,588,325</u>	<u>20,347,320</u>
<b>OPERATING PROFIT</b>	<b>1,360,680</b>	<b>19,628</b>	<b>3,393,621</b>	<b>4,432,996</b>	<b>6,170,313</b>
Preference dividend	(944,755)	(194,472)	(2,146,056)	(1,247,174)	(2,743,145)
Share of Results of Associates	4,934,172	2,211,036	12,045,138	5,500,438	10,698,887
	<u>3,989,417</u>	<u>2,016,564</u>	<u>9,899,082</u>	<u>4,253,264</u>	<u>7,955,742</u>
<b>Profit before income tax</b>	<b>5,350,096</b>	<b>2,036,192</b>	<b>13,292,703</b>	<b>8,686,260</b>	<b>14,126,055</b>
<b>Income tax</b>	<b>(343,392)</b>	<b>(387,474)</b>	<b>(936,441)</b>	<b>(897,169)</b>	<b>(1,032,500)</b>
<b>NET PROFIT</b>	<b>5,006,704</b>	<b>1,648,718</b>	<b>12,356,262</b>	<b>7,789,091</b>	<b>13,093,555</b>
Less income attributable to non-controlling interest	(905,767)	(136,396)	(2,269,838)	(1,479,239)	(1,564,513)
<b>Profit attributable to owners of the company</b>	<u><b>4,100,937</b></u>	<u><b>1,512,322</b></u>	<u><b>10,086,424</b></u>	<u><b>6,309,852</b></u>	<u><b>11,529,042</b></u>
<b>EARNINGS PER STOCK UNIT - US cents</b>	<b>0.54</b>	<b>0.24</b>	<b>1.33</b>	<b>1.01</b>	<b>1.81</b>

### Unaudited Consolidated Statement of Comprehensive Income for the period ended December 31, 2021

	Quarter ended December 2021	Quarter ended December 2020	Period ended December 2021	Period ended December 2020	Period ended March 2021
	US\$	US\$	US\$	US\$	US\$
<b>NET PROFIT</b>	5,006,704	1,648,718	12,356,262	7,789,091	13,093,555
<b>OTHER COMPREHENSIVE INCOME</b>					
<b>Items that are or may be reclassified to profit or loss:</b>					
Unrealised Gain on investments securities	(8,052,961)	14,360,223	(7,026,312)	32,251,383	22,507,072
Foreign exchange translation reserve	2,278,699	(1,429)	2,556,958	2,724,192	5,326,301
<b>Total Comprehensive income</b>	<u><b>(767,558)</b></u>	<u><b>16,007,512</b></u>	<u><b>7,886,908</b></u>	<u><b>42,764,665</b></u>	<u><b>40,926,928</b></u>

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### Unaudited Consolidated Statement of Changes in Equity for the period ended December 31, 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		2,269,838	(7,026,312)	2,556,958	10,086,424	7,886,909
Acquisition of Subsidiary		7,137,622	-	-	-	7,137,622
Dividends to equity holders		(550,000)			(3,041,700)	(3,591,700)
Balance at December 31, 2021	<u>115,753,819</u>	<u>16,601,507</u>	<u>(158,981)</u>	<u>5,339,997</u>	<u>43,322,087</u>	<u>180,858,430</u>

### Unaudited Consolidated Statement of Changes in Equity for the period ended December 31, 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	105,420,171
Total Comprehensive (Loss)/Income for the period	-	1,479,239	32,251,383	2,724,192	6,309,852	42,764,666
Dividends to equity holders	-	(725,000)	-	-	(4,124,590)	(4,849,590)
Balance at December 31, 2020	<u>86,716,754</u>	<u>7,163,958</u>	<u>17,386,770</u>	<u>101,930</u>	<u>31,965,835</u>	<u>143,335,247</u>

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### Unaudited Consolidated Statement of Cash Flows for the period ended December 31, 2021

	Period ended December 2021	Period ended December 2020	Audited March 2021
	<u>US\$</u>	<u>US\$</u>	<u>US\$</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>			
Profit attributable to owners of the company	10,086,424	6,309,852	11,533,042
Depreciation and Amortization	2,137,114	1,343,788	1,868,352
Income Tax Charge	936,441	897,169	1,032,500
Operating cashflow before movements in working capital	<u>13,159,979</u>	<u>8,550,809</u>	<u>14,433,894</u>
Changes in operating assets and liabilities			
Receivables	(11,194,030)	(13,441,688)	(21,209,844)
Inventory	(7,255,942)	-	-
Loans	(4,363,691)	(3,862,455)	(3,106,974)
Client Liabilities	25,648,751	7,945,273	35,242,385
Payables	11,063,528	4,188,269	2,266,849
Investments	5,581,432	64,589,898	47,837,064
Related company	795,061	(822,621)	615,702
Net cash from operating activities	<u>33,435,087</u>	<u>67,147,485</u>	<u>76,079,076</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>			
Loans			
Investments in associates	(6,032,352)	(27,012,265)	(27,186,522)
Purchase of property ,plant and equipment	(8,358,636)	(1,503,260)	(1,648,250)
Purchase/Disposal of intangible asset	(25,389,170)	(1,280,130)	(2,423,337)
Purchase of Investment Properties	(1,849,191)	1,324,958	1,326,620
Net cash used in investing activities	<u>(41,629,349)</u>	<u>(28,470,697)</u>	<u>(29,931,489)</u>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>			
Notes payable	14,640,899	(4,728,110)	(19,657,607)
Minority Interest	8,857,460	754,239	1,334,327
Dividend Paid	(3,041,700)	(4,124,590)	(5,036,257)
Issue of Ordinary Shares	-	-	29,037,065
Foreign Exchange Translation	2,556,958	2,724,190	5,405,301
Net cash from/(used in) financing activities	<u>23,013,617</u>	<u>(5,374,272)</u>	<u>11,082,829</u>
NET INCREASE IN CASH AND CASH EQUIVALENTS	<u>14,819,355</u>	<u>33,302,516</u>	<u>57,230,416</u>
Cash and cash equivalents at beginning of period	<u>151,859,308</u>	<u>94,628,892</u>	<u>94,628,892</u>
<b>CASH AND CASH EQUIVALENTS AT END OF PERIOD</b>	<u><u>166,678,663</u></u>	<u><u>127,931,408</u></u>	<u><u>151,859,308</u></u>



# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

### NOTES TO FINANCIAL STATEMENTS: DECEMBER 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 including the holding of tradable securities for investment purposes, private equity investments, real estate, and private credit loans with a regional and international focus.

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	Jamaica	Management Services	100	100
PROVEN Properties Limited	Saint 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	Saint Lucia	Banking	75	75
International Financial Planning (Cayman Limited)	Cayman Islands	Fund management	100	100
PROVEN Holding Limited	Jamaica	Investment advisory services	100	100
Roberts Manufacturing Company Limited	Barbados	Manufacturing	50.50	-
Heritage International Education Fund	Canada	Funds management	100	-
<b>ASSOCIATE COMPANIES</b>				
JMMB Group Limited	Jamaica	Investment advisory, Banking, Market and equity	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 nine months ended December 31, 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).

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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The company completed its acquisition of Roberts Manufacturing Company Limited and Heritage Education Funds International on June 8, 2021 and October 1, 2021 respectively.

The accounting process for these business combinations are 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.

### **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.

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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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 the title is not transferred unless the company does not resell the securities on the specified date or other conditions are not honored. Resale agreements result in credit exposure, in that the counterparty to the transaction may be unable to fulfill its contractual obligations.

### **6. Interest Income:**

Interest income is recognized 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 discounts on treasury bills and other discounted instruments, and amortization of premium on instruments bought at a premium.

### **7. Interest Expense:**

Interest expense is recognized 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 recognized 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 dividends thereon are recognized as interest in profit or loss.

The Group's preference shares bear contractual entitlements to dividends that are cumulative, and not at the discretion of the directors. Accordingly, they have 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.

# UNAUDITED FINANCIAL STATEMENTS

## FOR THE NINE-MONTHS ENDED DECEMBER 31, 2021

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### **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\$10,086,424 by the weighted average number of ordinary stock units in issue during the reporting period numbering 759,432,000 shares.

# PROVEN

## Investments Limited

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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.

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Director



Director

