



Capital for Colleagues

2 October 2017

CAPITAL FOR COLLEAGUES PLC
(‘Capital for Colleagues’ or the ‘Company’)

QUARTERLY INVESTMENT UPDATE

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, is pleased to announce an investment update in respect of the quarter ended 31 August 2017.

Key Statistics for the quarter:

- Portfolio comprised of 16 unquoted EOBs at the end of the quarter
- Net Asset Value (‘NAV’) of GBP 6,551,117 (31 May 2017: GBP 6,560,754)
- NAV per share of 42.58 pence (31 May 2017: 42.65 pence per share)

Material developments in the quarter:

- GBP 400,000 invested in new portfolio company, Employee Owners Group Limited, the holding company for a number of businesses operating predominantly under the “Carpenter Oak” brand. Carpenter Oak has been creating timber frames since 1987, completing a range of award winning projects, from the largest publicly accessible oak framed buildings in the UK, to a timber frame swimming pool in Russia.
- Follow-on investment of GBP 150,000 in portfolio company, Computer Application Services Limited, which is a developer of Workpro case management software, principally used in the management of regulated complaints.

Further information on the Company’s investment portfolio is set out below.

UNQUOTED INVESTMENTS

As at 31 August 2017, the Company’s portfolio of unquoted investments was valued at GBP 4,871,478 and comprised 16 companies operating across a range of sectors, as set out below:

Industrials (value: GBP 3,780,520 ;77.61% of Portfolio)

Construction and Materials

Civils Store Limited
Ecomerchant Natural Building Materials Ltd
Employee Owners Group Limited
Merkko Group Limited
TPS Investment Holdings Limited

Support Services

Anthesis Consulting Group Limited
Cotswold Valves Limited
CSM Site Supplies Limited
Hire and Supplies Limited
MI Accountancy Solutions Limited
Office for Public Management Limited

Industrial Transportation

Place 2 Place Logistics Limited

Retail (value: GBP 373,388; 7.66% of Portfolio)**General retailers**

The Homebuilding Centre (Holdings) Limited

Technology (value: GBP 717,570; 14.73% of Portfolio)**Software & Computer Services**

2C Services Limited

Bright Ascension Limited

Computer Application Services Limited

The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns. Each loan or investment is tailored to the individual investee company's operating performance and specific working capital needs.

The Directors believe that the unquoted EOBs in the Company's portfolio currently generate total turnover of around GBP 63 million per annum and support approximately 520 jobs.

Total Unquoted Investments (including short term loans) as at 31 August 2017

Cost: GBP 4,368,865

Valuation (including capitalised costs): GBP 4,871,478

BASIS OF VALUATION

Each of the unquoted investments is included at the Directors' assessment of fair value, in accordance with International Private Equity and Venture Capital Guidelines. Nevertheless, as a matter of prudence, the Directors have provided for a general provision equivalent to 2 per cent. of the value of the unquoted investments for possible impairment. The Directors do not, however, believe that any general provision impairment is necessary in respect of any of the Company's current unquoted investments.

Account is taken of any potential taxation liability in respect of the increase in value of investments on an annual basis, as at the Company's year-end.

The Directors of the Company are responsible for the contents of this announcement.

****ENDS****

For further information, please visit www.capitalforcolleagues.com or contact:

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Notes

Capital for Colleagues is an investment company focused on the Employee Owned Business ('EOB') sector. The Company has a clear strategy aimed at investing in, advising and growing established, mainly UK-based, EOBs as well as assisting companies which are looking to launch employee ownership schemes, providing the capital and advice to help them achieve their objectives.

Capital for Colleagues has a proven management team, with a wide network of contacts and affiliates, as well as established access to investment opportunities, enabling the Company to execute its strategy and identify and capitalise on EOB-focused investment opportunities.