



## Capital for Colleagues

4 January 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 30 November 2016.

***Key Statistics for the quarter:***

- GBP 5,429,235 (31 August 2016: GBP 5,042,735) lent or invested in a portfolio of 18 unquoted EOBs and 12 publicly traded companies displaying demonstrable employee engagement
- Net Asset Value (‘NAV’) of GBP 5,205,581 (31 August 2016: GBP 5,249,017)
- NAV per share of 54.09 pence (31 August 2016: 54.54 pence per share)

***Material developments in the quarter:***

- GBP 200,000 fixed term loan to Hire & Supplies Limited (‘H&S’) and 100,000 convertible preference shares in H&S held by the Company, were redeemed through the allotment to the Company of Preference Shares in H&S worth GBP 300,000.
- Additional GBP 0.1 million invested in Anthesis Consulting Group Limited.
- GBP 250,000 subscribed for 5,295 A Ordinary Shares of GBP 1 each in Office for Public Management Limited (‘OPML’); the Company also made a loan of GBP 50,000 to OPML.
- GBP 150,000 subscribed for 150,000 A Ordinary Shares of GBP 1 each in Bright Ascension Limited (‘BAL’).
- Assisted Ecomerchant Natural Building Materials Limited with a short term working capital loan of GBP 47,000

John Eckersley, Chief Executive of Capital for Colleagues, said: ‘We are delighted to have added OPML and Bright Ascension to our portfolio and with the further progress we have made in aligning our interests with those of employee stakeholders in our investee companies.’

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

**UNQUOTED INVESTMENTS**

As at 30 November 2016, the Company’s portfolio of unquoted investments comprised 18 companies operating across a range of sectors.

	Value of Investment (GBP)	% of Portfolio
<b>INDUSTRIALS</b>		
<b>Construction and Materials</b>		
Civils Store Limited	400,000	7.41
Ecomerchant Natural Building Materials Ltd	340,000	6.30
TPS Investment Holdings Limited	293,224	5.43
<b>Industrial Engineering</b>		
FJ Holdings Limited	889,333	16.48
Ham Baker Adams Limited	405,000	7.51
<b>Industrial Transportation</b>		
Place 2 Place Logistics Limited	150,000	2.78
<b>Support Services</b>		
Anthesis Consulting Group Limited	635,000	11.77
Cotswold Valves Limited	220,000	4.08
CSM Site Supplies Limited	190,000	3.52
Hire and Supplies Limited	455,455	8.44
Merrko Group Limited	206,153	3.82
Office for Public Management Limited	308,941	5.73
MI Accountancy Solutions Limited	45,000	0.83
<b>TOTAL INDUSTRIALS</b>	<b>4,538,106</b>	<b>84.10</b>
<b>RETAIL</b>		
<b>General Retailers</b>		
The Homebuilding Centre (Holdings) Limited	340,328	6.31
<b>TOTAL RETAIL</b>	<b>340.328</b>	<b>6.31</b>
<b>TECHNOLOGY</b>		
<b>Software &amp; Computer Services</b>		
2C Services Limited	50,020	0.93
Bright Ascension Limited	158,050	2.92
Computer Application Services Limited	259,500	4.81
Figure Consulting Limited	50,000	0.93
<b>TOTAL TECHNOLOGY</b>	<b>517,570</b>	<b>9.59</b>
<b>TOTAL UNQUOTED PORTFOLIO</b>	<b>5,396,004</b>	<b>100%</b>

The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns and bear interest at rates of between 9% and 24%. 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 71 million per annum and support approximately 600 jobs.

#### **Total Unquoted Investments as at 30 November 2016**

Cost (including short term loans): GBP 4,806,992

Valuation (including capitalised costs): GBP 5,396,004

## **PUBLICLY TRADED INVESTMENTS**

Whilst the Company's core investment focus is on private EOBs, Capital for Colleagues currently has interests in 12 investments listed on the London Stock Exchange's main market or on AIM. The Directors believe that investing in such publicly traded entities, each of which displays demonstrable employee engagement, offers the potential to deliver a better return for shareholders than leaving the cash on deposit, whilst allowing the Company to realise cash relatively quickly if it is required for investment elsewhere.

### **Total Publicly Traded Investments as at 30 November 2016**

Valuation (including cash): GBP 33,556

## **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 an amount equivalent to 2 per cent. of the value of the unquoted investments for possible impairment. The Directors do not, however, believe that any impairment is necessary in respect of any of the Company's current unquoted investments.

Each of the publicly traded investments is included at its closing mid-market valuation on 30 November 2016.

No account has been taken of any potential taxation liability in respect of the increase in value of investments.

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

**\*\*ENDS\*\***

For further information, please visit [www.capitalforcolleagues.com](http://www.capitalforcolleagues.com) or contact:

### **CAPITAL FOR COLLEAGUES PLC**

Richard Bailey, Chairman  
John Eckersley, Chief Executive

0161 233 4891

### **PETERHOUSE CORPORATE FINANCE LIMITED**

Mark Anwyl  
Duncan Vasey

020 7469 0930

## 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.