



Backing Better Business

# Capital for Colleagues

## **CAPITAL FOR COLLEAGUES PLC**

(‘Capital for Colleagues’ or the ‘Company’)

### **Unaudited Interim Results for the six months ended 28 February 2018**

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, is pleased to announce its unaudited interim results for the six months ended 28 February 2018.

#### **Highlights**

- Additional GBP 323,800 invested in the period – GBP 23,800 in new investments and GBP 300,000 in follow-on funding
- Revenues of GBP [138,000] (2017: GBP 198,000), comprising interest receivable and other fees
- Net assets of GBP 6.4 million as at 28 February 2018 (28 February 2017: GBP 4.2 million)
- A loss of GBP 170,000 for the six-month period (2017: loss of GBP 1.06 million)
- Investment portfolio at the period end comprised 17 (28 February 2017: 15) unquoted EOBs
- NAV per share of 41.52 pence (28 February 2017: 43.54 pence per share)
- Directors confident of continuing growth from existing and new investments

#### **Chief Executive’s Statement**

In the six months ended 28 February 2018, the Company invested a further GBP 323,800 in new and existing investee companies. As we never tire of saying, employee ownership is a proven, successful business model, which is recognised to improve productivity and create wealth, whilst providing a stable employment environment and the possibility of attractive commercial returns for investors. This message seems to be getting through, as the breadth of opportunities available to us continues to expand. We now have investments across a range of business areas, most recently adding precision engineering to our stable of EOBs through our investment in TG Engineering Limited.

In accordance with our business plan, we are continuing to align our interests with those of employee stakeholders at our investee companies as they become more established co-owned businesses. In this context, many of our portfolio companies have accepted our offer to convert our existing debt instruments into equity, a progression we are delighted with. One of the by-products of this change is the short-term effect on the Company’s income, whereby interest previously receivable is exchanged for long-term capital value and dividend income. There is inevitably a short-term gap between these two investment models and the Board is continually reviewing the carrying value of all investments to ensure that they are fairly reflected.

#### **Financial Results**

In the six months ended 28 February 2018, the Company generated income of GBP 138,000 (2017:

GBP 198,000), principally from interest receivable and other fees associated with our investments. As at 28 February 2018, the Company had net assets of GBP 6.4 million (2017: GBP 4.2 million).

## **Outlook**

Capital for Colleagues' ability to advise existing and potential EOBs as well as to provide them with funding, means that the Company is exceptionally well placed to create growth in the EOB sector and to benefit from that growth.

We continue to work closely with the Employee Ownership Association and other supporters of employee ownership to promote the commercial and financial benefits of EOBs. We remain hopeful that the UK's political and economic environment will increasingly help to foster a recognition of EOBs as important generators of equitable and dynamic growth.

John Eckersley

Chief Executive

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

**CAPITAL FOR COLLEAGUES PLC**

0161 464 3260

Richard Bailey, Chairman

John Eckersley, Chief Executive

**PETERHOUSE CAPITAL LIMITED**

020 7469 0930

Mark Anwyl

Duncan Vasey

**PROFIT AND LOSS ACCOUNT**

	<b>Unaudited 6 months to 28 February 2018 GBP 000's</b>	<b>Unaudited 6 months to 28 February 2017 GBP 000's</b>	<b>Audited 12 months to 31 August 2017 GBP 000's</b>
Revenue	138	198	372
Unrealised (Losses)/gains	(104)	208	312
	34	406	684
Administrative expenses	(204)	(247)	(530)
<b>PROFIT FROM ONGOING OPERATIONS</b>	<b>(170)</b>	<b>159</b>	<b>154</b>
Exceptional Item	-	(1,321)	(1,321)-
<b>PROFIT/(LOSS) BEFORE TAXATION</b>	<b>(170)</b>	<b>(1,162)</b>	<b>(1,167)</b>
Tax	-	102	120)
<b>PROFIT/(LOSS) FOR THE PERIOD</b>	<b>(170)</b>	<b>(1,060)</b>	<b>(1,047)</b>

## BALANCE SHEET

	As at 28 February 2018 GBP 000's	As at 28 February 2017 GBP 000's	As at 31 August 2017 GBP 000's
<b>ASSETS</b>			
<b>Non Current Assets</b>			
Investments held at fair value through profit or loss	4,594	3,296	4,592
Loans and receivables	1,034	689	535
	<hr/> 5,628	<hr/> 3,985	<hr/> 5,127
<b>Current Assets</b>			
Trade and other receivables	88	208	276
Cash and cash equivalents	789	161	1,283
	<hr/> 877	<hr/> 369	<hr/> 1,559
<b>TOTAL ASSETS</b>	<hr/> <b>6,505</b>	<hr/> <b>4,354</b>	<hr/> <b>6,686</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Called up share capital	6,167	3,850	6,154
Share premium	1099	1,036	1,097
Retained (loss)	(853)	(695)	(683)
<b>Total Equity</b>	<hr/> <b>6,413</b>	<hr/> <b>4,191</b>	<hr/> <b>6,568</b>
<b>Current Liabilities</b>			
Trade and other payables	84	163	110
Provision for liabilities	8	-	8
	<hr/>	<hr/>	<hr/>
<b>TOTAL EQUITY AND LIABILITIES</b>	<hr/> <b>6,505</b>	<hr/> <b>4,354</b>	<hr/> <b>6,686</b>

The interim results have not been reviewed by the Company's auditors.

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

### Capital for Colleagues

Capital for Colleagues is an investment company focused on the UK EOB sector. The Company 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 capitalise on EOB-focused investment opportunities.

The Company's joint venture, Castlefield Corporate Advisory Partners, educates and assists companies which are looking to launch employee ownership schemes, advising them, amongst other things, on how to secure investment and achieve their objectives.

### Market Abuse Regulation (MAR) Disclosure

The information contained within this announcement is deemed by the Company to constitute inside information as stipulated under the Market Abuse Regulation (EU) No. 596/2014. Upon the

publication of this announcement via a Regulatory Information Service, this inside information is now considered to be in the public domain.