



## Capital for Colleagues

3 October 2016

**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 2016.

*Key Statistics for the quarter:*

- GBP 5,042,735 (31 May 2016: GBP 5,093,472) lent or invested in a portfolio of 16 unquoted EOBs, 12 publicly traded companies displaying demonstrable employee engagement and 1 short term readily realisable instrument
- Net Asset Value (‘NAV’) of GBP 5,249,017 (31 May 2016: GBP 5,276,249)
- NAV per share of 54.54 pence (29 February 2016: 54.82 pence per share)

*Material developments in the quarter:*

- GBP 0.5 million invested in Anthesis Consulting Group Limited, a specialist consultancy offering commercially-driven sustainability services and solutions;
- GBP 150,000 short term loan to Place 2 Place Logistics Limited converted into equity;
- GBP 50,000 invested in 2C Services Limited, an employee owned information technology service provider with its own state of the art private cloud hosting infrastructure; and
- GBP 250,000 fixed term loan to The Homebuilding Centre (Holdings) Ltd converted into equity and GBP 97,000 short term loans consolidated into a single 3-year loan.

John Eckersley, Chief Executive of Capital for Colleagues, said: ‘We are delighted to have secured our investments in Anthesis and 2C Services and made further progress in aligning our interests more directly with employee stakeholders by converting debt to equity investments in portfolio companies. We continue to see many opportunities in the EOB sector, despite mixed economic signals following the Brexit vote, and we remain confident that we can generate attractive financial returns through our commitment to investment in this sector’.

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

**UNQUOTED INVESTMENTS**

As at 31 August 2016, the Company’s portfolio of unquoted investments comprised 16 companies operating across a range of sectors.

	Value of Investment (GBP)	% of Portfolio
<b>INDUSTRIALS</b>		
Construction and Materials		
Civils Store Limited	400,000	8.48
Ecomerchant Natural Building Materials Ltd	250,000	5.30
TPS Investment Holdings Limited	245,874	5.21
Industrial Engineering		

FJ Holdings Limited	911,667	19.32
Ham Baker Adams Limited	405,000	8.58
<b>Industrial Transportation</b>		
Place 2 Place Logistics Limited	150,000	3.18
<b>Support Services</b>		
Anthesis Consulting Group Limited	500,000	10.60
Cotswold Valves Limited	220,000	4.66
CSM Site Supplies Limited	190,000	4.03
Hire and Supplies Limited	389,055	8.24
Merrko Group Limited	256,153	5.43
MI Accountancy Solutions Limited	50,000	1.06
<b>TOTAL INDUSTRIALS</b>	<b>3,967,749</b>	<b>84.08</b>
<b>RETAIL</b>		
<b>General Retailers</b>		
The Homebuilding Centre (Holdings) Limited	341,836	7.24
<b>TOTAL RETAIL</b>	<b>341,611</b>	<b>7.24</b>
<b>TECHNOLOGY</b>		
<b>Software &amp; Computer Services</b>		
2C Services Limited	50,020	1.06
Computer Application Services Limited	259,500	5.50
Figure Consulting Limited	100,000	2.12
<b>TOTAL TECHNOLOGY</b>	<b>359,500</b>	<b>8.68</b>
<b>TOTAL UNQUOTED PORTFOLIO</b>	<b>4,719,105</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 67.0 million per annum and support approximately 550 jobs.

#### **Total Unquoted Investments as at 31 August 2016**

Cost (including short term loans): GBP 4,509,193

Valuation (including capitalised costs): GBP 4,719,105

#### **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. For the same reasons, as at 31 August 2016, the Company also held a short-term investment in a multi asset managed fund.

#### **Total Publicly Traded Investments as at 31 August 2016**

Valuation – publicly traded companies: GBP 64,029

Valuation – managed fund: GBP 259,846

## **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 31 August 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.