

Capital for Colleagues



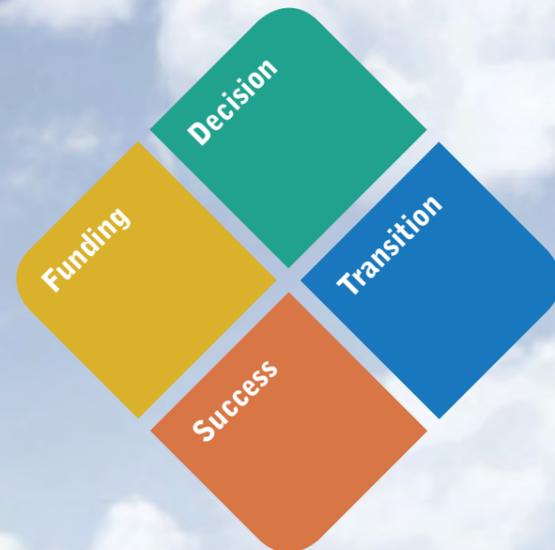
Advice Investment Growth



Capital for Colleagues PLC Report and Financial Statements

For the period ended 31 August 2014

For the period ended
31 August 2014



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Chief Executive's Statement



I am delighted to report that Capital for Colleagues has made excellent progress since its listing on the ISDX Growth Market in March this year, having focused on our strategy of supporting and investing in existing and aspiring, primarily UK-based, employee owned businesses (EOBs). This is a truly exciting market, which currently accounts for over 3% of the UK's GDP, and is targeted to grow to 10% by 2020 as awareness spreads that wide share ownership and employee participation can deliver superior business performance.

At listing, we raised £2.19 million to implement our strategy to provide capital and practical assistance to existing and aspiring EOBs, and to help them to become effective and profitable businesses driven by the ethos of employee ownership. We are sector agnostic in terms of business activity and we structure the investments we make to reflect each investee company's individual requirements and prospects. As a result, the funding we provide takes the form of debt, equity or convertible hybrid structures. Whatever structure we choose, the premise underlying all our investments is that they should facilitate the full engagement of employees in a business.

The Company's progress since listing has been reflected in the rapid development of our investment portfolio, which has grown from interests in three EOBs to interests in more than 20, and our pipeline of opportunities is growing fast. The companies that we have invested in range from a supplier of civil engineering and construction materials with depots in Penrith, Redruth and Sittingbourne, to an accountancy service provider in Stoke on Trent.

We continue to look for ways to enhance our business, both through our own initiatives as well as through the formation of strategic partnerships. In line with this, in September 2014, we co-founded a new, dedicated advisory business, C4C Ownership Partners Limited ('C4CO'), which provides specialist advice and support to EOBs or companies looking to become employee owned.

With this initiative, we were delighted to welcome Peter Matthews to the team. Peter, who is leading C4CO, has over 27 years' experience in helping establish and manage consulting, advisory and investment management businesses, including over 14 years' specialist experience in the EOB sector. He complements our highly experienced Board and team who understand the workings of the sector and the requirements of EOB companies.

As a result of this initiative, Capital for Colleagues can now provide a comprehensive service: advising clients on what needs to be done to become employee owned, managing the transition to employee owned status and providing the financial capital to achieve this.

For the period ended
31 August 2014

Financial Results

In the 11 months ended 31 August 2014, the Company invested £2.29 million across a portfolio of eight unquoted EOBs and 12 publicly traded EOBs. The Company generated income of £0.21m in the period and as at 31 August 2014 the Company had net assets of £3.45 million, equating to a NAV per share of 48.2p, representing a 23% discount to the current share price.

The Directors do not recommend the payment of a dividend.

Outlook

We remain focused on the continued expansion of our investment and advisory portfolio and on generating attractive returns for our shareholders as we build a leading position in the EOB sector. To this end, we have identified an extensive range of potential investee companies, in varying sectors and of various sizes, which we believe can deliver the returns we require. The Directors are confident that the EOB sector will continue to expand and that EOBs will continue to deliver robust performance as the UK economic recovery strengthens. Reflective of this, post period end we made a further two investments, increasing our portfolio to ten unquoted EOBs, underpinning the Company's active growth strategy.

Accordingly, we remain very positive about the opportunities to grow the business and believe that we are well placed to capitalise on the significant growth potential of the EOB sector. As a result, we are confident in our ability to create value for our shareholders and would like to thank them for their continued support.

John Eckersley

John Eckersley
Chief Executive

**We remain focused
on generating
attractive returns for
our shareholders.**

Strategic Report

For the period ended
31 August 2014

Principal Activities

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 established, mainly UK-based, EOBs as well as assisting companies which are looking to launch employee ownership schemes, providing the capital to help them achieve their objectives.

Risks and Uncertainties

The Company's activities inevitably expose it to a range of risks, predominantly financial in nature. These risks are identified, monitored and mitigated wherever possible. However, given that the Company seeks to generate returns consistent with those typical of equity-type investments, it is not possible or desirable to seek to remove risk completely. The key risks are:

Liquidity Risk

The Company seeks to ensure that it has sufficient liquidity, not only to pay its expenses as and when they fall due, but also to ensure that it is able to commit funds to attractive investments within required timescales. Funds which are not immediately required for investment in unquoted EOBs may be retained on deposit or invested in quoted EOBs. The latter may be realised at relatively short notice. The Company believes that it has sufficient expertise to select appropriate deposit accounts and shares in quoted EOBs.

Market Risk

In the case of investments made in quoted EOBs, the Company is subject to the risk associated with being exposed to the stock market in general. The Company regularly assesses its appetite for market risk and investment in quoted EOBs, which it intends to be a secondary activity to its main aim of investing in unquoted EOBs.

Credit Risk

This arises predominantly from the Company's exposure to companies to which it has extended a loan or where it has invested in debt-like instruments and thereby receives the majority or entire return from regular interest or interest-like payments. Due diligence work is undertaken ahead of making such commitments and it is the Company's aim to monitor progress on an ongoing basis.

Key Performance Indicators

The Chief Executive's statement above and Business Review below together provide detail in terms of the Company's initial period of activity. Ultimately, the Board and investors will predominantly judge success based on progress in the net asset value per share of the Company's shares.

Business Review

The Company's core investment focus is on private EOBs and to this end the Company ended the period with a portfolio of eight unquoted EOBs at a cost of £1,794,573. Each of the unquoted investments is included at the Directors' assessment of fair value, in accordance with International Private Equity and Venture Capital Guidelines. Given the relatively recent acquisition date of each investment, each is included at original cost for the purpose of this valuation.

The Company has also made investments in 12 quoted companies listed on the London Stock Exchange's main market or on AIM. The Directors believe that investing in such publicly traded EOBs has 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. The cost of its total publicly traded investments amounts to £500,000, with a valuation as at 31 August 2014 of £533,329.

Unquoted Investments

Civils Store Limited – a UK specialist supplier of civil engineering and construction materials, currently operating from depots at Penrith, Redruth and Sittingbourne. We provided a £300,000 loan for a fixed term of 12 months with an interest rate of 15% per annum; convertible at the Company's option into participating preference equity. Valuation as at 31 August 2014 was £300,000.

Ecomerchant Natural Building Materials Ltd – a specialist supplier of natural and environmentally sustainable building materials to the UK housing market. We provided a £75,000 loan for a fixed term of 12 months with an interest rate of 15% per annum; convertible at the Company's option into participating preference equity. Valuation as at 31 August 2014 was £75,000.

FJ Holdings Limited – an independent specialist manufacturer and distributor of flow control products and sewage treatment equipment, with manufacturing facilities at Dudley, West Midlands, where it also has its headquarters, and at Ilkeston, Rochdale and Stoke. It also has a branch office in Abu Dhabi. We acquired 1,034 D Shares of £0.01 each in this company at a cost of £399,313. Valuation as at 31 August 2014 was £399,313.

Hire and Supplies Limited – engaged in tool and plant sale and rental from branches in the west of Scotland, at Dumfries and Oban. We provided a £600,000 loan for a fixed term of 12 months with an interest rate of 18% per annum; repayable by March 2015, in four tranches. As at 31 August 2014, £175,000 had been repaid to the Company in accordance with the terms of this loan. A further £175,000 was paid to the Company on 18 September 2014 and on 22 September 2014, the Company announced that the remaining funds due from Hire and Supplies Limited plus a fee received of £50,000 had been converted into: (i) £100,000 of preference shares with a 5 year term and an interest rate of 20% per annum; and (ii) a loan of £200,000 with a 5 year term and an interest rate of 12% per annum. The valuation as at 31 August 2014 was £425,000.

Merkko Builders Merchants Limited – a builder's merchant located in Kingston Bagpuize, Oxfordshire which supplies a broad range of materials and equipment, primarily to members of the construction industry. We provided a £150,000 loan for a fixed term of 12 months repayable on demand with an interest rate of 12% per annum. Valuation as at 31 August 2014 was £150,000.

Strategic Report – continued

For the period ended
31 August 2014

MIA Solutions Limited – provides a cost effective accountancy service to small owner and employee managed businesses. We provided a £50,000 secured loan for a fixed term of 12 months with an interest rate of 15% per annum; convertible at the Company's option into participating preference shares. Valuation as at 31 August 2014 was £50,000.

Midland Construction Supplies Limited – a UK based company with a ten year track record in the supply of accessories for the construction industry. We provided a £100,000 loan for a fixed term of 12 months with an interest rate of 15% per annum; convertible at the Company's option into preference shares. Valuation as at 31 August 2014 was £100,000.

TPS Investment Holdings Limited – involved in the sourcing, marketing and distribution of a specialist range of pipes, valves, fittings and other associated products for the public utility markets throughout Ireland, with particular focus on the water market. We provided £200,000 of loan notes redeemable at par on or before 19 December 2014; any notes not redeemed will be converted into preference shares of £1 each in the capital of TPS on 19 December 2014; interest rate of 15% per annum until redeemed or converted. Valuation as at 31 August 2014 was £200,000. We also acquired 100,000 preference shares of £0.01 each costing £100,000. Valuation as at 31 August 2014 was £100,000. Additionally, Capital for Colleagues has provided a trade finance facility of up to £200,000 to RUA Pipelines Limited, a subsidiary of TPS. Any amounts drawn down under this facility are guaranteed by TPS and bear interest at the rate of 2% per month.

Publicly Traded Investments

AB Dynamics – involved in the design, manufacture and supply to the global automotive industry of advanced testing and measuring products for vehicle suspension, brakes and steering, both in the laboratory and on the test track.

Avon Rubber – designs and manufactures chemical, biological, radiological and nuclear respiratory protection systems for defence, fire and industrial markets. It also designs and manufactures polymer based products for the defence and dairy industries.

BT Group – provides communication services to customers in the UK and more than 170 countries worldwide.

Cello Group – provides market research, consulting and direct marketing services to the pharmaceutical and health sectors as well as other high margin client industries.

City of London Investment Group – a fund manager whose main focus is investing in emerging markets via closed end funds.

First Property – involved in property fund management and direct property investment in its own name in the UK and Eastern Europe.

Greggs – the UK's leading bakery retailer trading from more than 1,650 shops throughout the UK specialising in making and selling sandwiches, savouries and other baker fresh food on the go.

Interquest – a group of specialist recruitment businesses providing contract and permanent recruitment services within niche disciplines in the analytics, financial and technology market sectors in the UK and Europe.

Lancashire Group – a global provider of specialty insurance products operating in Bermuda and London.

Mattioli Woods – a provider of pension consultancy and administration, employee benefits and wealth management services.

Mitie Group – a provider of a wide range of facilities management services across the UK, Ireland and Europe.

Personal Group – a leading provider of employee benefits, employee related insurance products and financial services.

Approval

This report was approved by the Board of Directors and authorised for issue on 19 December 2014, and signed on its behalf by:

John Eckersley

J S Eckersley

Director

Directors' Report

For the period ended
31 August 2014

The Directors submit their report and the financial statements of Capital for Colleagues plc for the period ended 31 August 2014. Capital for Colleagues plc is a public company incorporated in England and Wales on 3 October 2013, and admitted to trading on the ISDX Growth Market on 17 March 2014.

Overview

This report covers the Group's trading results for the period ended 31 August 2014.

Directors

The following Directors have held office during the period.

Richard Charles Bailey	(appointed 3 October 2013)
Alistair Malcolm Thomson Currie	(appointed 20 November 2013)
John Stephen Eckersley	(appointed 3 October 2013)
Iain Hasdell	(appointed 3 October 2013 and resigned 21 October 2013)
Edmund George Jenkins	(appointed 19 December 2013)

Directors' Interests in Shares

Directors' interests in the shares of the Company, including family interests, were as follows:

Directors	At 31 August 2014 Number of shares	At 31 August 2014 Percentage (%)
Richard Charles Bailey	37,500	0.52
Alistair Malcolm Thomson Currie	57,460	0.80
John Stephen Eckersley	280,776	3.92
Iain Hasdell	–	–
Edmund George Jenkins	–	–

Creditor Payment Policy

The Company's policy is to agree terms of transactions, including payment terms and to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the term agreed with the supplier at the time of the supply or otherwise 30 days from receipt of the relevant invoice. The number of days outstanding between receipt of invoices and date

of payment calculated by reference to the amount owed to trade creditors at the period end as a proportion of the amounts invoiced by suppliers during the period, was 36 days.

Employees

The Company continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate. The Company has continued its policy of employee involvement by making information available to employees on matters of concern to them.

Substantial Shareholdings

As at 15 December 2014, the Company has been notified of the following interests of 3% or more in the issued ordinary share capital of the Company:

	Number of Shares	Percentage of issued Share capital (%)
Pershing Nominees Limited	4,845,432	67.63
Rowanmoor Trustees Limited	264,522	3.69
Nortrust Nominees Limited	250,000	3.49
Transact Nominees Limited	250,000	3.49

Statement as to Disclosure of Information to Auditors

The directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Post Balance Sheet Events

In the opinion of the Directors, the Company had no adjusting or non-adjusting post balance sheet events requiring disclosure in these financial statements.

By order of the Board

John Eckersley

J S Eckersley
Director

19 December 2014

Statement of Directors' Responsibilities

The Directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare company financial statements for each financial period. Under that law the directors are required to prepare financial statements in accordance with applicable accounting standards. The Directors have chosen to prepare the company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position, financial performance and cash flows of the Company for that period.

In preparing the company financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The Directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Directors are also responsible for the maintenance and integrity of the Capital for Colleagues plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Capital for Colleagues plc

We have audited the financial statements of Capital for Colleagues plc for the period ended 31 August 2014 which comprise the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Respective Responsibilities of Directors and Auditors

As explained more fully in the Directors' Responsibilities Statement set out on page 12 the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view. Our responsibility is to audit the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the Audit

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's website at www.frc.org.uk/auditscopeukprivate.

Opinion on Financial Statements

In our opinion:

- the financial statements give a true and fair view of the state of Company's affairs as at 31 August 2014 and of the Company's loss for the period then ended;
- the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation.

Opinion on other matters prescribed by the Companies Act 2006

In our opinion the information given in the Chief Executive's Statement, the Strategic Report and the Directors' Report for the financial period for which the financial statements are prepared is consistent with the financial statements.

Matters on which we are required to Report by Exception

We have nothing to report in respect of the following:

- adequate accounting records have not been kept by the Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Ian Cliffe (Senior Statutory Auditor)

for and on behalf of haysmacintyre Statutory Auditors
26 Red Lion Square, London WC1R 4AG

Statement of Comprehensive Income

For the period ended 31 August 2014

	Note	2014 £000's
Revenue	1	212
Administrative expenses	2	(95)
PROFIT FROM ONGOING OPERATIONS		117
Operating profit before exceptional items		
Costs of Initial Public Offering		(186)
OPERATING LOSS		(69)
Tax	4	(23)
RETAINED LOSS AFTER TAX FOR THE PERIOD		(92)
RETAINED LOSS ATTRIBUTABLE TO Owners of the company for the period		(92)
TOTAL COMPREHENSIVE INCOME ATTRIBUTABLE TO: Owners of the company for the period		(92)
Loss per share Basic and diluted	6	(2.16)p

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Company Statement of Financial Position

At 31 August 2014

	Note	2014 £000's
ASSETS		
NON CURRENT ASSETS		
Investments held at fair value through profit or loss	7	1,033
Loans and receivables	8	1,295
		2,328
CURRENT ASSETS		
Trade and other receivables	9	255
Cash and cash equivalents		868
		1,123
TOTAL ASSETS		3,451
EQUITY AND LIABILITIES		
EQUITY		
Called up share capital	11	2,866
Share premium		614
Retained loss		(92)
TOTAL EQUITY		3,388
CURRENT LIABILITIES		
Trade and other payables	10	63
TOTAL EQUITY AND LIABILITIES		3,451

The financial statements were approved and authorised for issue by the Board of Directors on 19 December 2014, and were signed below on its behalf by:

John Eckersley

J S Eckersley
Director

19 December 2014

Statement of Changes in Equity

For the period ended 31 August 2014

	Share Capital £000's	Share Premium Account £000's	Retained Loss £000's	Total £000's
Balance at 3 October 2013	–	–	–	–
Loss for the period	–	–	(92)	(92)
Total comprehensive income for 2014	–	–	(92)	(92)
Share capital issued	2,866	634	–	3,500
Costs of issue	–	(20)	–	(20)
Balance at 31 August 2014	2,866	614	(92)	3,388

Cash Flow Statement

For the period ended 31 August 2014

	2014 £000's
Cash flows from operating activities	
Operating loss for the period	(69)
Increase in other receivables	(255)
Increase in trade and other payables	40
Cash consumed by operations	(284)
Cash flow from investing activities	
Purchase of investments	(999)
Unrealised gains on investments	(34)
Non current loans made	(1,725)
Non current loans recovered	430
Net cash flow used in investing activities	(2,328)
Cash flow from financing activities	
Net proceeds from issue of share capital	3,480
Net cash inflow from financing activities	3,480
Net cash inflow for the period	868
Cash and cash equivalents at start of period	–
Cash and cash equivalents at the end of the period	868

Notes to the Financial Statements

For the period ended 31 August 2014

Summary of significant accounting policies

General information and authorisation of financial statements

Capital for Colleagues plc is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 111 Piccadilly, Manchester, M1 2HY. The Company's ordinary shares are traded on the ISDX Growth a London based stock exchange, providing UK and international companies with access to capital. The financial statements of Capital for Colleagues plc for the period ended 31 August 2014 were authorised for issue by the Board on and the balance sheets signed on the Board's behalf by J S Eckersley.

The nature of the Company's operations and its principal activities are set out in the Chief Executive's Statement on page 4.

Going concern

The directors have prepared cash flow projections for the 12 months to 31 December 2015. Having taken into account all known reasonable costs, they are of the opinion that there is sufficient headroom to continue as a going concern for the foreseeable future.

The financial statements do not contain the adjustments that would be required if the company were unable to continue as a going concern.

Statement of compliance with IFRS

The financial statements have been prepared in accordance with

International Accounting Standards and interpretations issued by the International Accounting Standards Board as adopted by the European Union. The principal accounting policies adopted by the Company are set out below.

Basis of preparation

The financial information for the period ended 31 August 2014 has been prepared in accordance with the Companies Act 2006 and International Financial Reporting Standards ("IFRS").

IFRS comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted in the European Union as at 31 August 2014. These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the revaluation of certain assets. The directors have at the time of approving the financial statements a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Further detail is contained in the Report of the Directors.

Revenue recognition

When it is probable that economic benefits will flow to the Company and the amount can be measured reliably, interest is recognised using the effective interest method. Dividends and interest receivable are recognised on an accruals basis in line with

rates applied per contractual terms. Arrangement fees are brought into account at the point at which funds are advanced to individual investees, by agreement with each. Similarly, monitoring fees are typically charged for and paid monthly in arrears or as per the formal agreement in place with each recipient of funds.

New standards, amendments and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting periods and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Company.

Segmental reporting

In accordance with the provisions of IFRS the Company is required to report financial and descriptive information about its reportable operating segments which meet the quantitative thresholds delineated. The Company has one reporting segment that does not meet any of the quantitative thresholds to require separate reporting. Operating segments presented in these financial statements are consistent with the internal reporting provided to the Company's Chief Operating Decision Maker, which has been identified as the Executive Committee.

Taxation

The tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable

Notes to the Financial Statements continued

For the period ended 31 August 2014

profit for the period. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other periods and it further excludes items that are never taxable or deductible. The liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to

equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Investments

Equity investments are initially recognised at cost, being the consideration paid. All investments are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise. In respect of unquoted investments fair value is determined by reference to a variety of valuation techniques. In respect of quoted or listed investments the value is based on the closing mid-market price recorded by the relevant market.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments, and are not quoted in an active market. They are initially recognised at cost, being the consideration loaned. All amounts are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the period in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short

term deposits with banks and similar financial institutions.

Trade and other receivables

Trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

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Notes to the Financial Statements continued

For the period ended 31 August 2014

1. REVENUE

An analysis of the revenue is as follows:

Arrangement fees	78
Monitoring fees	22
Interest income	102
Dividend income	10

2014
£000's

2. LOSS FROM OPERATIONS

Loss from operations has been arrived at after charging/(crediting):

Gain on fixed assets

(34)

Directors' emoluments (see note 3)

36

Auditors' remuneration (see below)

33

Amounts payable to Company auditors and their associates in respect of both audit and non-audit services:

Comprising

Audit services

11

Non-audit services

2

ISDX listing services

20

2014
£000's

3. STAFF COSTS

The average monthly number of employees (including executive directors) for the period was as follows:

Management

2014
Number

4

The aggregate remuneration comprised:

Directors emoluments

23

Social security and taxes

13

36

2014
£000's

The above costs are included in general and administrative expenses

The highest paid director received £13,750 and no directors received any pension contributions during the period.

Notes to the Financial Statements continued

For the period ended 31 August 2014

4. INCOME TAX EXPENSE

Current tax	23
Deferred tax	–

2014
£000's

23

–

23

The charge for the period can be reconciled to the loss per the income statement as follows:

Loss before taxation

69

Expected tax credit on loss before tax at 20%

(14)

Effects of:

Expenses not deductible for tax purposes

46

Income not taxable for tax purposes

(9)

Current and deferred tax profit and loss charge

23

5. DIVIDENDS

The directors are precluded from declaring a dividend for the period.

6. LOSS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following data:

Earnings

Earnings for the purposes of basic earnings per share net loss for the period attributable to equity holders of the Company (£000's)

2014

(92)

Number of shares

Weighted average number of ordinary shares in issue

4,269,488

Number of dilutive shares under options (millions)

–

Weighted average number of shares including dilutive warrants (millions)

4,269,488

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings.

No dilutive shares are in issue.

Notes to the Financial Statements continued

For the period ended 31 August 2014

7. INVESTMENTS

Investments held at fair value through profit or loss

At 3 October 2013

	Level 1 £'000s	Level 2 £'000s	Level 3 £'000s	2014 Total £'000s
At 3 October 2013	–	–	–	–
Additions at cost during the year	500	–	499	999
Unrealised gain at end of year	34	–	–	34
At 31 August 2014	534	–	499	1,033

Additions at cost during the year

Unrealised gain at end of year

At 31 August 2014

Investments are measured at fair value through profit or loss. The directors consider that the carrying amount of investments approximates to their fair value.

Level 1 reflects financial instruments quoted in an active market.

All unquoted investments are level 3 in the fair value hierarchy, being financial instruments whose fair value is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

8. LOANS AND RECEIVABLES

Loans receivable

2014
£'000s
1,295

During the period under review the company had little exposure to credit, cash flow, market price and interest rate risks. Loans receivable from unquoted companies in the Company's portfolio are subject to liquidity risk. This risk is taken into account by the Directors when arriving at their valuation of these items.

None of the loans receivable are past due. The directors consider that the carrying amount of loans and receivables approximates to their fair value.

9. TRADE AND OTHER RECEIVABLES

Other receivables

2014
£'000s
255

There are no significant credit risks arising from financial assets that are neither past due nor impaired.

All receivables as at 31 August 2014 were denominated in Pounds Sterling.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

10. TRADE AND OTHER PAYABLES

Trade and other payables

Taxation

Other creditors

2014
£'000s
24
23
16
63
63

Due within one year

Trade creditors principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

Notes to the Financial Statements continued

For the period ended 31 August 2014

	Number of shares	Nominal value £000's
11. SHARE CAPITAL		
Issued and fully paid:		
Ordinary shares of £0.40 each		
3 October 2013 at £0.40 per share	125,000	50
4 February 2014 at £0.45 per share	1,988,889	796
25 February 2014 at £0.50 per share	4,377,548	1,751
13 March 2014 at £0.50 per share	50,000	20
17 March 2014 at £0.50 per share	8,000	3
18 March 2014 at £0.50 per share	239,751	96
18 June 2014 at £0.5725 per share	250,000	100
25 July 2014 at £0.5875 per share	125,000	50
At 31 August 2014	7,164,188	2,866

Ordinary shares of £0.40 carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The shares are denominated in Pounds Sterling.

Share premium is stated net of issue costs of £20,020.

12. RELATED PARTY TRANSACTIONS

Trading transactions

During the period, the Company entered into no transactions with related parties.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below:

	2014 £'000s
Short term employee benefits (including social security)	36

13. CONTINGENT LIABILITIES

As at 31 August 2014, the Company did not have any contingent liabilities or litigation outstanding not provided for.

14. POST BALANCE SHEET EVENTS

In the opinion of the Directors, the Company had no adjusting or non-adjusting post balance sheet events requiring disclosure in these financial statements.

Directors, Advisers and Officers

For the period ended 31 August 2014

Registered number	08717989
Directors	Richard Bailey (Appointed 3 October 2013) Alistair Currie (Appointed 20 November 2013) John Eckersley (Appointed 3 October 2013) Edmund Jenkins (Appointed 19 December 2013)
Company Secretary	John Lewis (Appointed 3 October 2013)
Registered Office	9th Floor 111 Piccadilly Manchester M1 2HY W: www.capitalforcolleagues.com
Corporate Adviser	Peterhouse Corporate Finance Limited New Liverpool House 15 Eldon Street London EC2M 7LD
Auditor	haysmacintyre 26 Red Lion Square London WC1R 4AG
Share Registrar	Share Registrars Ltd Suite E, First Floor 9 Lion and Lamb Yard Farnham Surrey GU9 7LL
Bankers	Adam & Company Old Bank House 25 St Ann Street Manchester M2 7L6
Solicitors	DAC Beachcroft LLP 100 Fetter Lane London ECA 1BN Turner Parkinson LLP Hollins Chambers 64a Bridge Street Manchester M3 3BA



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Advice Investment Growth

Company number: 08717989