



Advice Investment Growth

Capital for Colleagues

29 June 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 May 2017.

Key Statistics for the quarter:

- Portfolio comprised of 15 unquoted EOBs at the end of the quarter
- Net Asset Value ('NAV') of GBP 6,560,754 (28 February 2017: GBP 4,190,852)
- NAV per share of 42.65 pence (28 February 2017: 43.54 pence per share)

Material developments in the quarter:

- Successfully raised GBP 2.42 million through a subscription and open offer, including a material investment from Bill Ainscough, founder of Wain Homes.
- Worked with directors and employees of LUSH Cosmetics Ltd to establish an Employee Benefits Trust that will initially hold a 10% shareholding on behalf of all employees.
- Follow-on investment of GBP 100,000 in portfolio company, Bright Ascension Limited, which is engaged in research and development related to software and hardware for the space industry and other high technology areas.
- Nominated in two categories at the annual Small Cap Awards: NEX Exchange Company of the Year and Social Stock Exchange Impact Company of the Year.

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

UNQUOTED INVESTMENTS

As at 31 May 2017, the Company’s portfolio of unquoted investments was valued at GBP 4,249,204 and comprised 15 companies operating across a range of sectors, as set out below:

Industrials (value: GBP 3,271,538; 76.99% of Portfolio)

Construction and Materials

Civils Store Limited
Ecomerchant Natural Building Materials Ltd
TPS Investment Holdings Limited
Merkko Group 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 410,096; 9.65% of Portfolio)

General retailers

The Homebuilding Centre (Holdings) Limited

Technology (value: GBP 567,570; 13.36% of Portfolio)

Software & Computer Services

Computer Application Services Limited
2C Services Limited
Bright Ascension Limited

The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns and bear interest at commercial rates up to 24% pa. 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 60 million per annum and support approximately 450 jobs.

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

Cost: GBP 3,777,030

Valuation (including capitalised costs): GBP 4,249,204

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.