

21 December 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 2017.

Key Statistics for the quarter:

- Portfolio comprised of 15 unquoted EOBs at the end of the quarter
- Net Asset Value (‘NAV’) of GBP 6,488,769 (31 August 2017: GBP 6,551,117)
- NAV per share of 42.12 pence (31 August 2017: 42.58 pence per share)

Material developments in the quarter:

- Established a joint venture company, Castlefield Corporate Advisory Partners Limited, to assume responsibility for the non-investment EOB activities previously undertaken by Capital for Colleagues, leaving the Company free to focus on its core business – the provision of flexible capital to EOBs.
- Restructured the Company’s investment in CSM Site Supplies Limited into new A ordinary shares, continuing the policy of switching investments from debt to equity.
- Successfully concluded the Company’s investment in MI Accountancy Solutions Limited (‘MIA’), following the repayment of sums due to Capital for Colleagues. MIA remains a provider of management information to a number of the Company’s investees.

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

UNQUOTED INVESTMENTS

As at 30 November 2017, the Company’s portfolio of unquoted investments was valued at GBP 4,882,122 and comprised 15 companies operating across a range of sectors, as set out below:

Industrials (value: GBP 3,781,298; 77.45 % of Portfolio)

Construction and Materials

Civils Store Limited
Ecomerchant Natural Building Materials Limited
Employee Owners Group Limited
Merkko Group Limited
TPS Investment Holdings Limited

Support Services

Anthesis Consulting Group Limited
Cotswold Valves Limited
CSM Site Supplies Limited
Hire and Supplies Limited
Office for Public Management Limited

Industrial Transportation

Place 2 Place Logistics Limited

Retail (value: GBP 333,254; 6.83% of Portfolio)**General Retailers**

The Homebuilding Centre (Holdings) Limited

Technology (value: GBP 767,570; 15.72% of Portfolio)**Software & Computer Services**

2C Services Limited

Bright Ascension Limited

Computer Application Services Limited

The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns. 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 70 million per annum and support approximately 550 jobs.

Total Unquoted Investments (including short term loans) as at 30 November 2017

Cost: GBP 4,380,700

Valuation (including capitalised costs): GBP 4,882,122

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:

CAPITAL FOR COLLEAGUES PLC

Richard Bailey, Chairman

0161 464 7538

John Eckersley, Chief Executive

PETERHOUSE CORPORATE FINANCE LIMITED

020 7469 0930

Mark Anwyl

Duncan Vasey

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.