

28 June 2022

## **CAPITAL FOR COLLEAGUES PLC**

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

### **QUARTERLY INVESTMENT UPDATE**

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, announces an investment update in respect of the quarter ended 31 May 2022.

#### ***Key Statistics for the quarter:***

- Portfolio comprised of 13 unquoted EOBs at the end of the quarter (28 February 2022: 14)
- Net Asset Value (‘NAV’) of £13,132,540 (28 February 2022: £12,645,859)
- NAV per share increased to 71.02 pence in the quarter (28 February 2022: 68.38 pence per share)

#### ***Key Developments in the quarter:***

- The Company disposed of its investment in Merkko Group Limited (‘Merkko’), which was sold on the retirement of its owner and major shareholder.
- Capital for Colleagues’ original investment in Merkko, made in 2015, was redeemed in 2020 for a profit of 100%, at which time the Company re-invested £150,000 of the proceeds to subscribe for ordinary shares in Merkko. These ordinary shares have now been sold for cash consideration of approximately £378,000, a profit of around 150%.

The Company currently has cash balances of £4.393 million. The Company has no debt.

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

### **UNQUOTED INVESTMENTS**

As at 31 May 2022, the Company’s portfolio of unquoted investments was valued at £8,550,050 and comprised 13 companies operating across a range of sectors, as set out below:

**Industrials** (value: £3,113,722; 36.42% of Portfolio)

#### ***Construction and Materials***

Ecomerchant Natural Building Materials Limited  
Employee Owners Group Limited  
TPS Investment Holdings Limited

#### ***Support Services***

Hire and Supplies Limited  
Flow Control Company Limited  
The Security Awareness Group Limited

#### ***Industrial Transportation***

Place 2 Place Logistics Limited

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**Leisure & Travel** (value: £581,591; 6.80% of Portfolio)

***Recreational Services***

South Cerney Outdoor Limited

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**Media** (value: £482,926; 5.65% of Portfolio)

***Exhibition Centres***

The Homebuilding Centre (Holdings) Limited

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**Technology** (value: £4,371,811; 51.13% of Portfolio)

***Software & Computer Services***

2C Services Limited

Bright Ascension Limited

Computer Application Services Limited

Craft Prospect Limited

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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 £39.6 million (£55.7 million) per annum and support approximately 322 (350) jobs.

**Total Unquoted Investments (including short-term loans) as at 31 May 2022**

Cost: £5,535,226

Valuation (including capitalised costs): £8,550,050

**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.

Account is taken of any potential taxation liability in respect of the increase in value of investments on a quarterly basis.

**\*\*ENDS\*\***

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

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### **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. In addition, the Company educates and assists companies that 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**

This announcement contains inside information for the purposes of Article 7 of the Market Abuse Regulation EU 596/2014 as it forms part of retained EU law (as defined in the European Union (Withdrawal) Act 2018).