

30 March 2023

CAPITAL FOR COLLEAGUES PLC
(‘Capital for Colleagues’, ‘C4C’ 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 28 February 2023.

Key Statistics for the quarter:

- Portfolio comprised of 13 unquoted EOBs at the end of the quarter (30 November 2022: 13)
- Net Asset Value (‘NAV’) of £14,384,014 (30 November 2022: £14,270,783)
- Following the dividend of 1.75p per share (accrued at 28 February 2023 and paid on 3 March 2023) NAV per share increased to 77.78 pence in the quarter (30 August 2022: 77.17 pence per share)

Key Developments in the quarter:

- As part of a reorganisation, Employee Owners Group Limited (‘EOG’) formed a new holding company, Carpenter Oak Group Limited, which is now 51% owned by an Employee Ownership Trust (‘EOT’), with the balance owned by Capital for Colleagues (30%) and management (19%). The EOT, which previously held a 7.5% interest in EOG, acquired its controlling interest from EOG’s founding shareholders.
- C4C acquired the entire issued share capital of MI Accountancy Solutions Limited (‘MIA’). MIA is a Staffordshire based accountancy firm which offers a range of accounting services, principally the preparation of management accounts. MIA has been providing accounting services to a number of C4C’s investee companies, and the Directors believe that, by bringing these services in house, Capital for Colleagues will be able to cost-effectively broaden the support and advice it offers all EOBs, whilst at the same time strengthening relationships with existing investee companies. MIA will continue to offer its services to all businesses, including those which are not Employee Owned. The Company acquired MIA for an effective consideration of £95,000 in cash. Deferred consideration of up to £20,000 may be payable, depending on the post-acquisition performance of MIA.

The Company currently has cash balances of £2.831 million. The Company has no debt.

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

UNQUOTED INVESTMENTS

As at 28 February 2023, the Company's portfolio of unquoted investments was valued at £11,279,518 and comprised 13 companies operating across a range of sectors, as set out below:

Industrials (value: £4,591,667; 40.71% of Portfolio)

Construction & Materials

Ecomerchant Natural Building Materials Limited
Carpenter Oak 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

Leisure & Travel (value: £578,658; 5.13% of Portfolio)

Recreational Services

South Cerney Outdoor Limited

Media (value: £463,613; 4.11% of Portfolio)

Exhibition Centres

The Homebuilding Centre (Holdings) Limited

Technology (value: £5,645,580; 50.05% of Portfolio)

Software & Computer Services

2C Services Limited
Bright Ascension Limited
Computer Application Services Limited
Craft Prospect Limited

The loans and investments made by the Company to or in 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 £46.4 million (£45.6 million) per annum and support approximately 315 (325) jobs.

Total Unquoted Investments (including short-term loans) as at 28 February 2023

Cost: £7,183,685

Valuation (including capitalised costs): £11,279,518

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 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).