

31 May 2024

CAPITAL FOR COLLEAGUES PLC

(‘Capital for Colleagues’, ‘C4C’ or the ‘Company’)

Unaudited Interim Results for the six months ended 29 February 2024

Capital for Colleagues, the investment vehicle focused on opportunities in the Employee Owned Business (‘EOB’) sector, is pleased to announce its unaudited interim results for the six months ended 29 February 2024.

Financial Highlights

- Revenues of £0.421m (2023: £0.259m), comprising interest receivable, dividends received and fees
- Profit before tax of £0.985m for the six-month period (2023: £0.933m)
- Net assets of £16.148m as at 29 February 2024 (28 February 2023: £14.384m)
- Net Asset Value per share of 87.32 pence as at 29 February 2024 (28 February 2023: 77.78 pence per share)

Portfolio Highlights

- Invested £0.500m in a new investee business, as part of a £1.500m transaction.
- £0.893m of additional debt funding provided to 6 investee companies.
- Investments revalued upwards by a net total of £1.393m, to reflect underlying performance and prospects.
- Investment portfolio at the period end comprised 15 unquoted EOBs (28 February 2023: 13)

Chief Executive’s Statement

There was continued progress across the Company’s portfolio during the six months ended 29 February 2024 and this has enabled the Directors to increase the value attributable to a number of the Company’s investments. The increase in the Net Asset Value, along with the dividend of 2.00p (2023: 1.75p) per share declared during the period under review & paid in March 2024, represents a solid return for shareholders during a challenging period for quoted Private Equity vehicles.

Material developments in the six months

- The Company led a £1.5 million investment round into a new investee company, Rapid Retail Limited (‘Rapid Retail’), which designs, sells, refurbishes and rents portable shops, retail kiosks and retail merchandising units. Capital for Colleagues invested a total of £0.5 million into Rapid Retail, alongside a private investment company controlled by Bill Ainscough, a non-executive Director of C4C.
- The company led a funding round of £1.5 million into an existing investee company Bright Ascension Limited (BAL). Capital for Colleagues is investing a further £750,000 in BAL, alongside Bill Ainscough, a non-executive Director of the Company, and TJ Morris Limited, a significant shareholder in C4C, both of whom are investing £375,000. The committed funds

are initially being provided to BAL as loans, which will in due course be reclassified as loan notes convertible into ordinary shares in BAL. The loan notes will be convertible within the next three years, at a value dependent on the achievement of key milestones by BAL.

Financial Results

In the six months ended 29 February 2024, the Company generated income of £0.421m (2023: £0.259m), principally from interest and dividends receivable and fees associated with our investments. The Net Asset Value rose by 12.3% during the period (2023: 4.4%) and the Company had net assets of £16.148m (2023: £14.384m) as at 29 February 2024.

Outlook

Most of the EOBs in which the Company is invested have continued to perform well through the challenging economic environment of recent months. The rate of inflation has fallen rapidly from its peaks and interest rates are likely to be reduced meaningfully in coming months. This is likely to lead to a period of sustained economic growth in the UK. Against this background we are confident of a strong performance from our portfolio in coming months.

We continue to promote the commercial and financial benefits of EOBs at every opportunity and are pleased to see increasing recognition of EOBs as important generators of equitable and dynamic growth.

Alistair Currie
Chief Executive

For further information, please visit www.capitalforcolleagues.com or contact:

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PROFIT & LOSS ACCOUNT

	Unaudited 6 months to 29 February 2024 £'000	Unaudited 6 months to 28 February 2023 £'000	Audited 12 months to 31 August 2023 £'000
Revenue	421	259	887
Fair value gain on investments	1,393	1,058	1,802

	1,814	1,317	2,689
Administrative expenses	(504)	(389)	(978)
Impairment of loan receivables	(340)	-	(17)
PROFIT FROM ONGOING OPERATIONS	970	928	1,694
Finance Income	15	5	18
PROFIT BEFORE TAXATION	985	933	1,712
Tax	-	-	-
PROFIT FOR THE PERIOD	985	933	1,712

BALANCE SHEET

	As at 29 February 2024 £'000	As at 28 February 2023 £'000	As at 31 August 2023 £'000
ASSETS			
Non-Current Assets			
Intangible fixed assets	109	98	110
Property, plant & equipment	2	2	2
Investments held at fair value through profit or loss	12,594	9,868	11,070
Loans and receivables	3,039	1,412	2,430
	15,744	11,380	13,612
Current Assets			
Trade and other receivables	327	284	284
Cash and cash equivalents	686	2,831	1,986
	1,013	3,115	2,270
TOTAL ASSETS	16,757	14,495	15,882
EQUITY AND LIABILITIES			
Equity			
Called up share capital	7,397	7,397	7,397
Share premium	1,810	1,810	1,810
Retained profits	6,941	5,177	5,955
Total Equity	16,148	14,384	15,162
Current Liabilities			
Trade and other payables	609	111	720
TOTAL EQUITY AND LIABILITIES	16,757	14,495	15,882

The interim results have not been reviewed by the Company's auditors.

The Directors of the Company are responsible for the contents of this announcement.

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).