Capital for Colleagues

Backing Better Business

Report and Financial Statements

For the year ended 31 August 2018

Capital for Colleagues PLC

Report and Financial Statements

Capital for Colleagues PLC

Contents

CEO’s Statement

Capital for Colleagues PLC (www.capitalforcolleagues.com or “C4C”) is an investment vehicle focused on opportunities in the Employee Owned Business sector. Our company has been quoted on the NEX Exchange Growth Market (www.nexexchange.com) since March 2014 (ticker CFCP). Since the company was formed, it has made loans and equity investments in unquoted businesses, generating income from dividends, interest and fees. C4C is focused on achieving attractive investment returns from investments increasingly focused on equity but including debt in the mix where appropriate.

We provide investment to existing and aspiring employee-owned businesses (“EOBs”) and help them to become effective and profitable organisations driven by the ethos of employee ownership.

We do this because we believe that employee ownership has the potential to improve corporate productivity, create wealth and generate attractive commercial returns for shareholders. It represents an alternative to the external shareholder-owned firm and can contribute to a more diverse and robust economy. It offers a corporate model which is less susceptible to stock market fluctuations and is less likely to fuel the bad corporate behaviours, such as poor governance, which are so damaging to public confidence in business. Real employee ownership (or “EO”) signifies a meaningful stake in a business for all its employees and, if this is achieved, then a company is said to have employee owners. What is “meaningful” goes beyond financial participation; the employees’ stake must underpin organisational practices that promote employee engagement in the company. EOBs are generally commercial organisations which focus on long-term sustainable profits rather than maximising short-term returns.

According to the Employee Ownership Association, of which we are members, the employee-owned sector contributes more than £30bn to the domestic economy and is growing at more than 10% a year, 70% of this growth recurring since 2010 – this looks set to accelerate with all the UK political parties looking at ways for more employees to share in the wealth they help to create.

A report published in July 2018 (“The Ownership Dividend,” www.theownershipeffect.co.uk) considered the potential of more employee ownership on social and economic issues. This concluded businesses which choose to become employee-owned and fully adopt the structures and culture of employee ownership, see benefits for the individual who becomes more empowered and has a stake in the outcome of the business, and for the company through improved performance and productivity.

Our commitment to the employee-owned sector mainly manifests itself in our ongoing support for and strong relationship with the Employee Ownership Association and especially for its two-day Annual Conference. We have been the main sponsor of this flagship industry event for the last four years. Employee ownership is gaining traction and it is into this vibrant and growing sector that C4C invests.

The financial year ended 31st August 2018 was one of stability and steady progress for the company. At the end of the year, the Company’s portfolio of unquoted investments was valued at £6.32m and comprised seventeen companies operating across a range of sectors which generated total turnover of around £75m per annum and supported approximately 615 jobs.

Shareholders will be aware that we measure our success by an increasing net asset value (“NAV”). As at 31st August 2018, the total NAV was £6.694 million (2017: £6.568 million) and NAV per share was 43.35p (2017: 42.69p).

We believe that “profit with purpose” appropriately sums up C4C’s approach to investment in EOBs. We are seeking to deliver a good return for our shareholders as well as profitable growth – both financially and culturally - for those companies that make up our investment portfolio.

In accordance with our business plan, we continue to align our interests with those of employee stakeholders at our investee companies as they become more established, co-owned EOBs. In this context, a number of our longstanding portfolio companies have accepted our offer to convert our existing debt instruments into equity, a welcome development.

To fulfil our commitment to positive impact, we continually strive to improve disclosure and information flow, although this is not always an easy task as many of our investees are small businesses. Without wishing to overburden our investee companies, we encourage them to report regularly on all areas of their business, including on the benefits of employee ownership. During the year, we introduced an improved reporting system, our “Traffic Light Reports”, under which investee companies report back to us on both financial and non-financial metrics. This process is managed on our behalf by Castlefield Corporate Advisory Partners Limited; itself part of a successful and growing EOB.

Castlefield Corporate Advisory Partners Limited ("CCAP")

Since the formation of C4C, we have been committed advocates of employee ownership and we are proud of our achievements in this area, but this work had the potential to distract the Company from its core business of investing in EOBs. Therefore, in November 2017, we decided to establish CCAP to manage the non-investment EOB activities previously undertaken by C4C. CCAP is tasked with educating businesses about the benefits of EO, including succession planning, together with identifying potential investee companies for C4C and advising those companies on the structure and presentation of their investment case to C4C. CCAP also monitors and advises our existing investee companies and sources potential new investors for C4C.

C4C owns 34 per cent of CCAP, with Castlefield Partners Limited ("Castlefield") owning 51 per cent; the balance of 15 per cent is to be held by CCAP's current and future executives, including certain C4C employees, who transferred their employment from C4C to CCAP during the year. Castlefield is the employee-owned holding company of a range of FCAauthorised and regulated financial services businesses, focused on responsible, sustainable investing. John Eckersley and Alistair Currie, executive directors of C4C, are also co-owners of and partners at Castlefield.

Day-to-day financial monitoring of investee businesses is undertaken by a CCAP representative with direct access to the board within each investee company. The establishment of CCAP frees C4C to focus on its core activity of providing capital to EOBs. We will use this capital to drive future growth in the EOB sector and to benefit from that growth. Streamlining our operations in this way is also in line with C4C's previously stated intention of reducing its central, largely fixed overheads.

Portfolio developments during the year

An exciting new addition to the portfolio this year is TG Engineering ("TGE") (http://tgengineering.com). TGE is a world class supplier of precision-machined and fabricated components for leading companies and institutions, primarily in the aerospace and scientific sectors. The company has a modern 20,000 sq. ft. manufacturing facility in Ferndown, near Poole in Dorset, incorporating an extensive range of machines, full coordinate measuring machine inspection as well as clean room assembly. TGE can manufacture using a wide range of ferrous, non-ferrous and exotic metals, as well as many plastics, to provide build-to-print solutions to meet customers' requirements.

NTE Vacuum Technology is a division of TGE which specialises in the manufacture of High and Ultra High Vacuum Chambers, Cryostats and Vacuum Beamlines. NTE manufactures and fabricates chambers from aluminium alloy, stainless steel and copper for leading research institutions, universities and businesses across Europe.

On the company website, the directors of TGE highlight the importance of C4C's investment and the benefits of EO;

> ***"Employee-owned businesses comprise a small but growing minority of businesses in the UK and have been shown to bring not only financial benefits to both employees and business but also an improved working environment and employee satisfaction."***

TGE are already members of the EOA and we are working closely with the management and employees to build their EO culture and to develop an open and transparent flow of regular information about how the company is doing with the aim of helping the employees to think, feel and behave like co-owners.

Portfolio management activities during the year

- CCAP was established in the year and C4C invested £23,800 at the outset.
- We restructured the Company's investment in CSM Site Supplies Limited ("CSM") into new "A" Ordinary shares, in line with our policy of switching our investment exposure from debt to equity. At the same time another of our investee companies, Ecomerchant Natural Building Materials Limited, acquired all of the ordinary shares of CSM and took on day-to-day management of the business. Unfortunately, the task in hand proved too great for the new team and the decision was taken, with regret, to place CSM into voluntary liquidation, with the loss of two full time jobs.
- We successfully exited our investment in MI Accountancy Solutions Limited ("MIA"), following the repayment of loans, although MIA remains a provider of management information to several of our investee companies.
- One of our existing investee companies, Cotswold Valves Limited ("CVL"), acquired the entire issued share capital of Flow Control Company Limited ("FCCL"), giving CVL the critical mass required to expand further and diversify its business; as part of the transaction, we made a working capital loan of £300,000 to FCCL. The existing CVL EOT, now managed for the benefit of all employees of the enlarged business, holds 51% of the issued ordinary share capital of CVL. CCAP was

CEO's Statement continued

responsible for identifying the acquisition of FCCL, working with C4C on the terms of the additional finance it provided and managing the transaction to completion.

- We provided a short-term loan of £100,000 to Flow Control Company Limited.
- We invested £600,000 in our new portfolio company, ("TGE") by way of loan.
- We provided a short-term loan of £100,000 to an existing investee, Computer Application Services Limited.
- Hire and Supplies Limited repaid a short-term loan of £110,000.
- The Company's holding of 'A' Ordinary Shares in Computer Application Services Limited was revalued upwards to £750,000 as at 31st August 2018, in light of strong operating performance and markedly improved prospects at the company.

Engagement with investee companies

As mentioned above, we are in regular contact with all our investee companies for the purposes of financial reporting, business risk management and strategic guidance. Apart from these areas, a great deal of our engagement is around corporate structure and culture and ensuring that EO is properly embedded, so that co-owners can benefit fully.

A challenge we sometimes face is that management teams accept our investment but do not want to listen to the employee voice as much as we would like them to. Much of our work focuses on education and advocacy to ensure that entrepreneurial and sometimes "self-made" managing directors fully embrace EO so that the full benefits of co-ownership can be enjoyed.

Recent examples of engagement

TPS Investment Holdings Limited – C4C and CCAP executives visited TPS in Dublin to discuss options for the treatment of C4C's A shares, the mechanics of their Employee Trust and to support their desire to relocate to larger premises.

Place 2 Place Logistics Limited – Advising the MD on how to engage a disparate body of employees, many of whom infrequently visit the offices and depots.

The Homebuilding Centre (Holdings) Limited – Advising on the buy-back of a founder member's shareholding by the company's Employee Ownership Trust.

Cotswold Valves Limited and its subsidiary Flow Control Company Limited – working with employees from both companies on integrating systems, services and operational practices following acquisition of the latter by Cotswold Valves Limited.

Employee Ownership Group Limited trading as Carpenter Oak – helping the exiting owners and new leadership team to design and work through the transition of shares from founders to the employee ownership trust, such that employees now have a much greater stake in the company.

Ecomerchant Natural Building Materials Limited – advising the directors on consolidation of some operations and how to position an exciting new product for growth as part of an extended group.

Social impact

We remain convinced of the positive social impact of employee ownership. We report specifically on this every year and we published our fourth annual Impact Report in the summer of 2018. In last year's Annual Report and Accounts, we highlighted the Sustainable Development Goals ("SDGs") of the United Nations' 2030 Agenda for Sustainable Development (see www.un.org). Through our commitment to employee ownership and some of the companies in which we invest, C4C directly addresses three SDGs.

Goal 3 – Good Health and Wellbeing.

Ensuring healthy lives and promoting the well-being for all at all ages which is essential to sustainable development. There is evidence to suggest that employee-owned businesses generate higher levels of well-being among their staff compared with conventionally-owned businesses.

Goal 8 – Decent Work and Economic Growth.

A continued lack of decent work opportunities contributes to an erosion of the basic social contract underlying democratic societies which everyone must share to progress. The creation of quality jobs remains a major challenge for all economies and employee-owned businesses offer meaningful and sustainable work to their employees.

Goal 12 – Responsible Consumption and Production.

Sustainable consumption and production is about promoting resource and energy efficiency. C4C supports businesses which are committed to sustainability and social responsibility. For example, two of our investees, Ecomerchant and Carpenter Oak, are both specialist suppliers of environmentally-friendly building materials.

Financial results

I am pleased to report that revenue from operations was marginally up year-on-year to £384,000, compared with £372,000 in 2017, primarily due to an encouraging improvement in arrangement fees, up from £14,000 in 2017 to £54,000 this year. We also saw increases in interest income and dividend income. These advances were slightly offset by a reduction in monitoring fees and the reduction of advisory fees in the year under review. Nevertheless, it is a satisfactory outcome.

At £437,000, net unrealised valuation gains were well ahead of last year's figure of £317,000 due to some encouraging business revaluations completed during the year. In last year's report, the board committed to bringing down administration costs in the business and I am pleased to note that we achieved this, as administration expenses fell by approximately 24% from £530,000 in 2017 to £443,000 this year.

Longer-term investors will be aware that our financial results for the year ended 31st August 2017 were adversely affected by a large impairment of investments and loans of over £1.3m which compares with £134,000 this year. I am happy to report that we generated a retained profit of £102,000 in the period, which fed through into a basic earnings figure of 0.66 pence per share.

On the balance sheet, we were encouraged to see the total asset base of the company grow from £6.686m to £6.970m as a result of the positive revaluations of certain investee businesses. Our cashflow statement reflects a busy and positive year characterised by over £1.1m of loans made to our investees to help them grow.

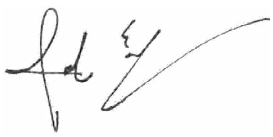
To retain cash in the business and keep us in the best position to make further investments in EOBs, we do not propose to pay a dividend this year (2017: nil).

Outlook

Our ability to advise existing and potential EOBs as well as to provide them with funding, means that the company is exceptionally well-placed to create growth in the EOB sector and to benefit from that growth. Notwithstanding the short-term turbulence, we remain optimistic that the domestic political and economic environment will continue to foster a recognition of EOBs as important generators of equitable and dynamic growth. Subject to maintaining sufficient cash, we expect to keep making investments into EOBs. We still have a growing list of prospects at various stages of development. A broad strategic objective is to make larger investments into bigger businesses so that more workers can enjoy the benefits of employee ownership, as evidenced by our investment in TG Engineering.

We will continue to promote employee ownership as a better way of doing business not just on behalf of C4C, but also through the Employee Ownership Association and we have been headline sponsors of the EOA's Annual Conference for the last four years. We will also work hard at delivering the findings of the EOA's "Ownership Dividend" report and we shall continue to educate and demonstrate the value of equity investment alongside debt for growing EO businesses.

The future for employee ownership and for C4C is exciting and shareholders can expect to see us continuing to generate profit with purpose.



John Eckersley
Chief Executive
25 January 2019

Strategic Report

Principal Activities

Capital for Colleagues plc is an investment company focused on the Employee Owned Business sector. The Company has a clear strategy aimed at investing in established, mainly UK-based, EOBs as well as assisting companies which are looking to launch employee ownership schemes, providing the capital to help them achieve their objectives.

Risks and Uncertainties

The Company's activities inevitably expose it to a range of risks, predominantly financial in nature. These risks are identified, monitored and mitigated wherever possible. However, given that the Company seeks to generate returns consistent with those typical of equity-type investments, it is not possible or desirable to seek to remove risk completely.

The key risks are:

Liquidity risk

The Company seeks to ensure that it has sufficient liquidity, not only to pay its expenses as and when they fall due, but also to ensure that it is able to commit funds to attractive investments within required timescales. Funds which are not immediately required for investment in unquoted EOBs may be retained on deposit or invested in quoted EOBs or in other investments offering a better return than would be available from remaining in cash. Due regard is given to the need to realise cash at relatively short notice. The Company believes that it has sufficient expertise to select appropriate investments.

Market risk

In the case of investments made in quoted EOBs, the Company is subject to the risk associated with being exposed to the stock market in general. The Company regularly assesses its appetite for market risk and investment in quoted EOBs, which it intends to be a secondary activity to its main aim of investing in unquoted EOBs.

Credit risk

This arises predominantly from the Company's exposure to companies to which it has extended a loan or where it has invested in debt-like instruments and thereby receives the majority or entire return from regular interest or interest-like payments. Due diligence work is undertaken ahead of making such commitments and it is the Company's aim to monitor progress on an ongoing basis.

Key Performance Indicators

The Chief Executive's statement above and Business Review below together provide detail in terms of the Company's most recent period of activity. Ultimately, the Board and investors will predominantly judge success based on progress in the Net Asset Value per share of the Company's shares.

Business Review

The Group's core investment focus is on private EOBs and to this end the Group ended the period with a portfolio of seventeen unquoted EOBs at a cost of £5.426 million including short-term loans. Each of the unquoted investments is included at the Directors' assessment of fair value, which is calculated in accordance with International Private Equity and Venture Capital Guidelines. At the year end, our total unquoted portfolio was valued at £5.995 million, including capitalised costs.

The company made steady progress in the year under review. We further refined our portfolio and added the specialist engineering company TGE to our family of investee companies. CCAP contributed to the maintenance and development of the portfolio through its advisory and other services.

The loans and investments made by C4C to unquoted EOBs are aimed at delivering equity-like returns to our own shareholders. Each loan or investment is tailored within the context of the individual investee company's operating performance and specific working capital and longer-term needs. Shareholders will be aware that we have worked hard to transition the portfolio from one largely generating high income but offering little by way of future capital growth potential, to one which produces less by way of regular cashflow but is more closely-linked to future capital upside.

We are happy to report that our total investment portfolio has grown, but it has also evolved. Even though TGE, our new investment in the year, is in the Industrials category, the overall percentage of our investment portfolio represented by industrial companies has fallen from 82.5% in 2016, 77.6% in 2017 to 73.1% in the 2018 financial year; the category itself has increased in value from £3.575 million in 2016, £3.781 million in 2017 to £4.381 million in 2018. We have seen an encouraging increase in our exposure to the Technology sector from 9.4% in 2016, to 14.7% in 2017 to 19.3% this year. In value terms, our investments in technology businesses have progressed from £0.409 million in 2016, to £0.718 million in 2017 and £1.158 million this year. Our exposure to Media, through The Homebuilding Centre, (reclassified from Retail) remains broadly unchanged at 7.6% of the total or £0.456 million.

Financial Review

Revenue from operations increased by 3.2% year-on-year to £384,000, compared with £372,000 in 2017, primarily due to an improvement in arrangement fees, which rose from £10,000 in 2017 to £54,000 this year. The year also saw increases in interest income and dividend income. These advances were slightly offset by a reduction in monitoring fees and the reduction of advisory fees in the year under review. Nevertheless, it is a satisfactory outcome.

At £437,000, net unrealised valuation gains were well ahead of last year's figure of £317,000 due to some encouraging business revaluations completed during the year. In last year's report, the board committed to bringing down administration costs in the business and I am pleased to note that we achieved this, as administration expenses fell by approximately 24% from £530,000 in 2017 to £443,000 this year.

We reported retained profits of £102,000 this year, which produced basic and diluted earnings of 0.66p per Ordinary share.

The total asset base of the company grew from £6.686m in 2017 to £6.970m due to the positive revaluations of certain investee businesses and the cashflow statement reflects a busy and positive year characterised by over £1.1m of loans made to our investees to help them grow.

At the end of the year, the Company's portfolio of unquoted investments was valued at £6.32m and comprised seventeen companies operating across a range of sectors which generated total turnover of around £75m per annum and supported approximately 615 jobs. We measure our success by an increasing NAV. As at 31st August 2018, the total NAV was £6.694 million (2017: £6.568 million) and NAV per share was 43.35p (2017: 42.69p).

The directors again do not propose to pay a dividend this year (2017: nil).

Unquoted Investments

As at 31 August 2018, the Company's portfolio of unquoted investments (excluding short term loans) comprised 17 companies operating across a range of sectors. The portfolio breaks down as follows;

SECTOR		% of Portfolio
INDUSTRIALS		
Construction and Materials		
	Civils Store Limited	
	Ecomerchant Natural Building Materials Limited	
	Employee Owners Group Limited (trading as Carpenter Oak)	
	TPS Investment Holdings Limited	
Industrial Transportation		
	Place 2 Place Logistics Limited	
Engineering		
	TG Engineering Limited	
Support Services		
	Anthesis Consulting Group Limited	
	Cotswold Valves Limited (& its subsidiary Flow Control Company Limited)	
	Hire and Supplies Limited	
	Merkko Group Limited	
	Office for Public Management Limited (trading as Traverse)	
	Castlefield Corporate Advisory Partners Limited	
TOTAL INDUSTRIALS (value: £4,380,720)		**73.08%**
MEDIA		
Exhibition Centres		
	The Homebuilding Centre (Holdings) Limited (trading as The National Self Build & Renovation Centre)	
TOTAL MEDIA (value: £455,792)		**7.60%**
TECHNOLOGY		
Software & Computer Services		
	Computer Application Services Limited	
	2C Services Limited	
	Bright Ascension Limited	
TOTAL TECHNOLOGY (value: £1,158,070)		**19.32%**
TOTAL UNQUOTED PORTFOLIO (value: £5,994,582)		**100.00%**

The loans and investments made by the Company to unquoted EOBs are aimed at delivering equity-like returns and the loans bear interest at appropriate commercial rates. Each loan or investment is tailored to the individual investee company's operating performance and specific working capital needs.

Publicly Traded Investments

Although the Company's core investment focus is on private EOBs, the Directors believe that investing in publicly-traded entities which display demonstrable employee engagement, offers the potential to deliver a better return for shareholders than leaving the cash on deposit, while allowing the Company to realise cash relatively quickly if it is required for investment elsewhere. For the same reasons, as at 31 August 2018, the Company also held a short-term investment in a multi-asset managed fund.

Total Publicly Traded Investments as at 31 August 2018

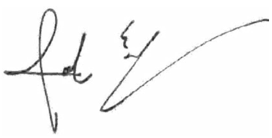
Valuation – publicly traded companies: NIL
Valuation – managed fund: £503,622

The multi-asset managed fund is included at its closing single-priced valuation on 31 August 2018.

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 an amount equivalent to 2 per cent. of the value of the unquoted investments for possible impairment. The Directors do not, however, believe that any impairment is necessary in respect of any of the Company's current unquoted investments.

Approval

This report was approved by the Board of Directors and authorised for issue on 25 January 2019, and signed on its behalf by:



J S Eckersley
Director

Directors' Remuneration Report

Introduction

This report is submitted in accordance with Schedule 8 of the Large and Medium sized Companies (Accounts and Reports) (Amendment) Regulations 2013 in respect of the year ended 31 August 2018. The reporting requirements entail two sections to be included, a Policy Report and an Annual Remuneration Report which are presented below.

The Company's auditor, haysmacintyre, is required to give its opinion on certain information included in this report, this comprises of the Directors Remuneration and the information on Directors' Shareholdings which is contained in the Directors' report on page 13 and also forms part of this Directors' Remuneration report. Their report on these and other matters is set out on page 16.

Consideration by the Directors of Matters Relating to Directors' Remuneration

The Company's Directors as a whole consider Directors' remuneration and they have not sought advice or services from any person in respect of this issue during the period under review although they expect, from time to time, to review the fees against those paid to boards of directors of comparable organisations.

Directors' Remuneration Policy Report

The Company's policy is for the Directors to be remunerated in the form of fees, payable monthly in arrears. None of the directors receives a pension from the Company, other than that disclosed in note 3, nor do they participate in any bonus schemes. Executive Directors are entitled to participate in the company's Share Incentive Plan.

The fees are not specifically related to the Directors' performance, either individually or collectively. The Board is also entitled to be repaid all reasonable travelling subsistence and other expenses incurred by them respectively while conducting their duties as Directors. However no other remuneration or compensation was paid or payable by the Company during the period to any of the current Directors. There will be no payment for loss of office unless approved by a separate shareholder resolution.

Major Decisions on Remuneration

The Company's policy is that the fees payable to each Director should reflect the time spent by the Directors on the Company's affairs and the responsibilities borne by each of the Directors. They should be sufficient to attract candidates of high calibre to be recruited. The Remuneration policy is to review the Director's fee rates from time to time, benchmarking the fees against comparable organisations and appointments, although such review will not necessarily result in any change.

A Director may resign by notice in writing to the Board at any time giving one month's notice. None of the Directors are entitled to compensation payable upon early termination of their arrangements other than in respect of any unexpired notice period.

Directors' Remuneration

	2018 TOTAL	2017 TOTAL
	£ '000	£'000
J Eckersley	28	36
A Currie	18	24
E Jenkins	15	15
R Bailey	19	19
	80	94

The amounts above all relate to directors fees and represent the total remuneration of the Company's Directors.

This section of the report is subject to approval by a simple majority of shareholders at the AGM.

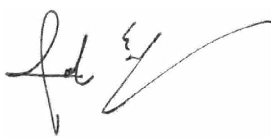
A statement of directors' shareholdings and interest is reported in the directors' report on page 13.

Company Performance

The Board is responsible for the Company's business strategy and performance.

The Statement of Directors' responsibilities on page 15 form part of the Directors' report to the company financial statements.

On behalf of the Board



John Eckersley,
Director
Date: 25 January 2019

Directors' Report

The directors submit their report and the financial statements of Capital for Colleagues plc for the year ended 31 August 2018. Capital for Colleagues plc is a public company incorporated in England and Wales on 3 October 2013 and admitted to trading on the NEX Exchange on 17 March 2014.

Overview

This report covers the Group's trading results for the year ended 31 August 2018.

Directors

The following directors have held office during the year.

Richard Charles Bailey
Alistair Malcolm Thomson Currie
John Stephen Eckersley
Edmund George Jenkins

Directors' Interests in Shares

Directors' interests in the shares of the Company, including family interests, were as follows:

DIRECTORS	AT 31 AUGUST 2018	
	Number of Shares	Percentage (%)
John Stephen Eckersley	493,723	3.20
Alistair Malcolm Thomson Currie	368,225	2.38
Richard Charles Bailey	183,369	1.19
Edmund George Jenkins	76,270	0.49

Creditor Payment Policy

The Company's policy is to agree terms of transactions, including payment terms and to ensure that, in the absence of dispute, all suppliers are dealt with in accordance with its standard payment practice whereby all outstanding trade accounts are settled within the term agreed with the supplier at the time of the supply or otherwise 30 days from receipt of the relevant invoice. The number of days outstanding between receipt of invoices and date of payment calculated by reference to the amount owed to trade creditors at the year-end as a proportion of the amounts invoiced by suppliers during the year, was 4 days (2017: 4 days).

Employees

The Company continues to give full and fair consideration to applications for employment made by disabled persons, having regard to their respective aptitudes and abilities. The policy includes, where practicable, the continued employment of those who may become disabled during their employment and the provision of training and career development and promotion, where appropriate. The Company has continued its policy of employee involvement by making information available to employees on matters of concern to them.

Directors' Report continued

Substantial shareholdings

As at 31 August 2018, the Company has been notified of the following interests of 3% or more in the issued ordinary share capital of the Company:

	Number of Shares	Percentage of issued share capital (%)
Bill Ainscough	1,538,400	9.96
Liontrust Sustainable Future UK Ethical	915,253	5.93
Heygate Group Pension	729,263	4.72
Liontrust Sustainable Future UK Growth	610,170	3.95

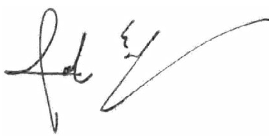
Statement as to Disclosure of Information to Auditors

The Directors who were in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditors are unaware. Each of the directors have confirmed that they have taken all steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

Post Balance Sheet Events

In the opinion of the Directors, the Company had no adjusting or non-adjusting post balance sheet events requiring disclosure in these financial statements.

By order of the Board



J S Eckersley
Director
Date: 25 January 2019

Statement of Directors' Responsibilities

The directors are responsible for preparing the Annual Report and the financial statements in accordance with applicable law and regulations.

UK Company law requires the directors to prepare company financial statements for each financial year. Under that law the directors are required to prepare financial statements in accordance with applicable accounting standards. The Directors have chosen to prepare the company financial statements in accordance with International Financial Reporting Standards ("IFRS") as adopted by the EU.

The financial statements are required by law and IFRS adopted by the EU to present fairly the financial position, financial performance and cash flows of the Company for that year.

In preparing the company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state that the company has complied with IFRS, subject to any material departures disclosed and explained in the financial statements;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping proper accounting records which disclose with reasonable accuracy at any time the financial position of the Company and to enable them to ensure that the financial statements comply with the requirements of the Companies Act 2006 and Article 4 of the IAS Regulation. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are also responsible for the maintenance and integrity of the Capital for Colleagues plc website.

Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report to the Members of Capital for Colleagues Plc

Opinion

We have audited the financial statements of Capital for Colleagues plc (the "parent company") and its subsidiaries (the "group") for the year ended 31 August 2018 which comprise Consolidated Statement of Comprehensive Income, Consolidated and Company Statement of Financial Position, Consolidated and Company Statement of Changes in Equity, Consolidated Statement of Cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards ("IFRSs") as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the group's and of the parent company's affairs as at 31 August 2018 and of the group's profit for the year then ended;
- have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard as applied to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the group's or the parent company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Key audit matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) we identified, including those which had the greatest effect on: the overall audit strategy, the allocation of resources in the audit; and directing the efforts of the engagement team. These matters were addressed in the context of our audit of the financial statements as a whole and, in forming our opinion thereon, and we do not provide a separate opinion on these matters.

going concern: the group and the company have generated an operating profit of £374k in the year to 31 August 2018. At the reporting date the cash balance was £175k which is considered sufficient to cover the administrative expenses of the company for a 12-month period along with the ongoing returns from investments due to be received moving forward. Budgets and cash flow forecasts for the period to 31 August 2020 were reviewed as part of the audit and post year end events were reviewed.

investment valuation: the parent company is an investment company and therefore the investments are material to the company and the group. Many of the investments are in companies which are not listed. We reviewed and verified the valuations and questioned the directors on the valuation process and assumptions made to independently ensure that the directors had appropriately valued the investments.

Our application of materiality

For the purpose of the audit a materiality level of 2% of gross assets was used. The Company and the Group are an investment company and therefore the investment balances is the most important and relevant number within the financial statements to this Company and Group.

Performance materiality was set at 75% of materiality and is considered to be suitable since the audit is not complex and there are no areas of the accounts which would warrant specific materiality levels. Any misstatements identified above 5% of materiality and not adjusted were reported to the Directors as unadjusted misstatements.

An overview of the scope of our audit

The scope of the audit has been tailored to the Group and Company, both entities were audited with work covering total expenditure, total assets, liabilities and equities. The subsidiary has not traded in the year and hence there were no intercompany transactions requiring elimination, only the intercompany balance at the year end.

Other information

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report or the directors' report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Independent Auditor’s Report to the Members of Capital for Colleagues Plc continued

Responsibilities of directors

As explained more fully in the directors’ responsibilities statement set out on page 15, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group’s and the parent company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor’s responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council’s website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor’s report.

Use of our report

This report is made solely to the Company’s members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company’s members those matters we are required to state to them in an Auditor’s report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company’s members as a body, for our audit work, for this report, or for the opinions we have formed.

Ian Cliffe (Senior Statutory Auditor)
for and on behalf of haysmacintyre
Statutory Auditors
10 Queen Street Place
London
EC4R 1AG
Date: 25 January 2019

Consolidated Statement of Comprehensive Income

FOR THE YEAR ENDED 31 AUGUST 2018

	Note	2018 £000's	2017 £000's
Revenue	1	384	372
Realised loss on investments		(4)	(5)
Unrealised revaluation gains on investments	4	437	317
		817	684
Administrative expenses		(443)	(530)
Operating profit		**374**	**154**
Impairment of investments and loans		(134)	(1,321)
Profit / (Loss) before tax		**240**	**(1,167)**
Tax (charge) / credit	5	(138)	120
Retained profit / (loss) after tax for the year		**102**	**(1,047)**
Retained profit / (loss) attributable to			
Owners of the company for the year		102	(1,047)
Total comprehensive income attributable to:			
Owners of the company for the year	7	102	(1,047)
Earnings / (loss) per share			
Basic and diluted		0.66p	(9.02)p

The notes on pages 23 to 30 form part of these financial statements

Group and Company Statement of Financial Position

Company Number: 08717989

AT 31 AUGUST 2018		GROUP		COMPANY	
	Note	2018 £000's	2017 £000's	2018 £000's	2017 £000's
Assets					
Non Current Assets					
Investments held at fair value through profit or loss	8a	5,034	4,592	5,034	4,592
Investments in associates	8b	24	-	24	-
Loans and receivables	9	1,321	535	1,321	535
		6,379	5,127	6,379	5,127
Current Assets					
Trade and other receivables	10	416	276	421	280
Cash and cash equivalents		175	1,283	175	1,283
		591	1,559	596	1,563
Total Assets		**6,970**	**6,686**	**6,975**	**6,690**
Equity and Liabilities					
Equity					
Called up share capital	13	6,176	6,154	6,176	6,154
Share premium		1,099	1,097	1,099	1,097
Retained (loss)		(581)	(683)	(576)	(678)
Total Equity		**6,694**	**6,568**	**6,699**	**6,573**
Current Liabilities					
Trade and other payables	11	130	110	130	109
		130	110	130	109
Creditors: Amounts falling due in more than one year					
Provisions for liabilities	12	146	8	146	8
Total Equity and Liabilities		6,970	6,686	6,975	6,690

The financial statements were approved and authorised for issue by the Board of Directors on 25 January 2019, and were signed below on its behalf by:

J S Eckersley
Director

The notes on pages 23 to 30 form part of these financial statements.

Group and Company Statement of Changes in Equity

FOR THE YEAR ENDED 31 AUGUST 2018

GROUP	Share Capital £000's	Share Premium Account £000's	Retained Earnings £000's	Total £000's
Balance at 1 September 2016	**3,850**	**1,036**	**364**	**5,250**
Loss for the year	-	-	(1,047)	(1,047)
Total comprehensive income for 2017	**3,850**	**1,036**	**(683)**	**4,203**
Share capital issued	2,304	115	-	2,419
Costs of issue	-	(54)	-	(54)
Balance at 31 August 2017	**6,154**	**1,097**	**(683)**	**6,568**
Profit for the year	-	-	102	102
Total comprehensive income for 2018	**6,154**	**1,097**	**(581)**	**6,670**
Share capital issued	22	2	-	24
Balance at 31 August 2018	**6,176**	**1,099**	**(581)**	**6,694**

COMPANY	Share Capital £000's	Share Premium Account £000's	Retained Earnings £000's	Total £000's
Balance at 1 September 2015	3,850	1,036	369	5,255
Loss for the year	-	-	(1,047)	(1,047)
Total comprehensive income for 2017	**3,850**	**1,036**	**(678)**	**4,208**
Share capital issued	2,304	115	-	2,419
Costs of issue	-	(54)	-	(54)
Balance at 31 August 2017	**6,154**	**1,097**	**(678)**	**6,573**
Profit for the year	-	-	102	102
Total comprehensive income for 2018	**6,154**	**1,097**	**(576)**	**6,675**
Share capital issued	22	2	-	24
Balance at 31 August 2018	**6,176**	**1,099**	**(576)**	**6,699**

The notes on pages 23 to 30 form part of these financial statements.

Consolidated Cash Flow Statement

FOR THE YEAR ENDED 31 AUGUST 2018	2018 £000's	2017 £000's
Cash flows from operating activities		
Profit / (loss) for the year	102	(1,047)
Decrease in trade receivables	(119)	(10)
(Decrease)/increase in trade and other payables	(1)	44
Taxation charge / (credit)	138	(3)
Unrealised gains on investments	(437)	(317)
Impairment of loans / investments	134	1,321
Cash used by operations	**(183)**	**(12)**
Cash flow from investing activities		
Purchase of investments	(24)	(1,932)
Disposal of investments	25	389
Non-current loans made	(845)	(161)
Non-current loans recovered	-	355
Net cash flow used in investing activities	**(844)**	**(1,349)**
Cash flow from financing activities		
Net proceeds from issue of share capital	24	2,365
Current loans made	(105)	-
Net cash (outflow)/inflow from financing Activities	**(81)**	**2,365**
Net cash (outflow)/inflow for the year	**(1,108)**	**1,004**
Cash and cash equivalents at start of year	1,283	279
Cash and cash equivalents at the end of the year	**175**	**1,283**

The notes on pages 23 to 30 form part of these financial statements.

Notes to the Financial Statements

Summary of Significant Accounting Policies

General information and authorisation of financial statements

Capital for Colleagues plc is a public limited company incorporated and domiciled in England and Wales under the Companies Act 2006. The address of its registered office is 111 Piccadilly, Manchester, M1 2HY. The Company's ordinary shares are traded on the NEX Exchange, a London based stock exchange providing UK and international companies with access to capital. The financial statements of Capital for Colleagues plc for the year ended 31 August 2018 were authorised for issue by the Board on 25 January 2019 and the balance sheets signed on the Board's behalf by J S Eckersley.

The nature of the Company's operations and its principal activities are set out in the Strategic Report on page 8.

Going concern

The directors have prepared cash flow projections for the period to 31 August 2020. Having taken into account all known reasonable costs, they are of the opinion that there is sufficient headroom to continue as a going concern for the foreseeable future.

The financial statements do not contain the adjustments that would be required if the company were unable to continue as a going concern.

Statement of compliance with IFRS

The financial statements have been prepared in accordance with International Accounting Standards and interpretations issued by the International Accounting Standards Board as adopted by the European Union. The principal accounting policies adopted by the Company are set out below.

Basis of preparation

The financial information for the year ended 31 August 2018 has been prepared in accordance with the Companies Act 2006 and IFRS.

IFRS comprises standards and interpretations approved by the International Accounting Standards Board ("IASB") and the International Financial Reporting Interpretations Committee ("IFRIC") as adopted in the European Union as at 31 August 2018. These financial statements have been prepared on a going concern basis and on the historical cost basis of accounting, modified for the revaluation of certain assets. The directors have at the time of approving the financial statements a reasonable expectation that the Company have adequate resources to continue in operational existence for the foreseeable future. Further detail is contained in the Report of the Directors.

Basis of consolidation

This financial information consolidates the information of the Company and its subsidiary undertaking C4C Ownership Partners Limited, which was incorporated on 5 June 2014. All intercompany balances and transactions have been eliminated in full. A separate income statement for the parent company has not been prepared.

The results for the 34% associate Holding in Castlefield Corporate Advisory Partners Limited were not accounted for as part of the group as to date the numbers are highly insignificant.

Revenue recognition

When it is probable that economic benefits will flow to the Company and the amount can be measured reliably, interest is recognised using the effective interest method. Dividends are recognised at the dividend payment date. Interest receivable is recognised on an accruals basis in line with rates applied per contractual terms. Arrangement fees are brought into account at the point at which funds are advanced to individual investees, by agreement with each. Similarly, monitoring fees are typically charged for and paid monthly in arrears or as per the formal agreement in place with each recipient of funds.

New standards, amendments and interpretations

Certain new standards, amendments and interpretations to existing standards have been published that are mandatory for later accounting years and which have not been adopted early. There were no new standards, amendments or interpretations that are expected to have a material impact on the Company.

Notes to the Financial Statements continued

Summary of Significant Accounting Policies

Segmental reporting

In accordance with the provisions of IFRS the Company is required to report financial and descriptive information about its reportable operating segments which meet the quantitative thresholds delineated. The Company has one reporting segment that does not meet any of the quantitative thresholds to require separate reporting. Operating segments presented in these financial statements are consistent with the internal reporting provided to the Company's Chief Operating Decision Maker, which has been identified as the Executive Committee.

Taxation

The tax expense represents the sum of the current tax and deferred tax. The current tax is based on taxable profit for the year. Taxable profit differs from net profit as reported in the income statement because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The liability for current tax is calculated by using tax rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is the tax expected to be payable or recoverable on differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit, and is accounted for using the balance sheet liability method. Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction, which affects neither the tax profit nor the accounting profit.

Deferred tax is calculated at the tax rates that are expected to apply to the year when the asset is realised or the liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Financial instruments

Financial assets and financial liabilities are recognised on the balance sheet when the Company has become a party to the contractual provisions of the instrument.

Investments

Equity investments are initially recognised at cost, being the consideration paid. All investments are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the year in which they arise. In respect of unquoted investments fair value is determined by reference to a variety of valuation techniques. In respect of quoted or listed investments the value is based on the closing mid-market price recorded by the relevant market.

Loans and receivables

These assets are non-derivative financial assets with fixed or determinable payments, and are not quoted in an active market. They are initially recognised at cost, being the consideration loaned. All amounts are classified at fair value through profit or loss and measured at fair value with changes in their fair value recognised in the Statement of Comprehensive Income in the year in which they arise.

Cash and cash equivalents

Cash and cash equivalents comprise cash in hand, cash at bank and short term deposits with banks and similar financial institutions.

Trade and other receivables

Generally, trade and other receivables do not carry any interest and are stated at their nominal value as reduced by appropriate allowances for estimated irrecoverable amounts. Included within the total are short term loans to investees which bear interest at varying commercial rates.

Trade and other payables

Trade and other payables are non-interest bearing and are stated at their nominal value.

Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

		2018 £000's	2017 £000's
1.	**REVENUE**		
	An analysis of the revenue is as follows:		
	Arrangement fees	54	10
	Monitoring fees	123	154
	Advisory fees	4	24
	Interest income	145	131
	Dividend income	37	25
	Other income	21	28
		384	372

All revenue arose within the United Kingdom and Republic of Ireland.

		2018 £000's	2017 £000's
2.	**PROFIT FROM OPERATIONS**		
	Profit from operations has been arrived at after charging:		
	Directors' emoluments (see note 3)	80	94
	Auditors' remuneration		
	- fee payable to auditors for audit of the Company financial statements	13	12
	- fee payable to auditors for audit of the subsidiary financial statements	4	-
	Amounts payable to Group auditors and their associates in respect of both audit and non-audit services:		
	Comprising		
	Audit services	13	12
	Non-audit services	4	4

		2018 Number	2017 Number
3.	**STAFF COSTS**		
	The average monthly number of employees (including executive directors) for the year was as follows:		
	Management	5	8
		2018 £000's	2017 £000's
	The aggregate remuneration comprised:		
	Directors' emoluments	80	94
	Wages and salaries	51	200
	Social security and taxes	9	28
	Benefit in kind	-	28
		140	350

The above costs are included in general and administrative expenses.

The highest paid director received £28,200 (2017: £36,667) and the directors received pension contributions during the year totalling £295 (2017: £nil).

Notes to the Financial Statements continued

FOR THE YEAR ENDED 31 AUGUST 2018

4. UNREALISED REVALUATION GAINS ON INVESTMENTS	2018 £000's	2017 £000's
Unrealised revaluation gains on investments (note 8a)	437	317

2018 gain summarised as follows:	Investments	LT loans	ST loans	TOTAL
Revaluation of investments	332	134	-	466
2% provision in the year	5	(27)	(7)	(29)
	337	**107**	**(7)**	**(437)**

5. INCOME TAX EXPENSE	2018 £000's	2017 £000's
Current tax charge / (credit)	-	(26)
Deferred tax charge / (credit)	138	(94)
	138	(120)
The charge for the year can be reconciled to the profit/(loss) per the income statement as follows:		
Profit / (loss) before taxation	240	(1,167)
Expected tax charge/(credit) on profit before tax at 19.00% (2017: 19.58%)	46	(229)
Effects of:		
Expenses not deductible for tax purposes	1	157
Income not taxable	(78)	(62)
Exempt dividend income	(8)	(4)
Chargeable (losses) / gains	155	(101)
Adjustments in respect of previous periods	-	(4)
Adjustment in respect of tax rates	(12)	-
Deferred tax not recognised	34	123
Current and deferred tax charge / (credit)	138	120

6. DIVIDENDS

The directors elected not to declare a dividend for the year (2017: £nil).

7. EARNINGS PER SHARE	2018	2017
The calculation of the basic and diluted earnings per share is based on the following data:		
Earnings		
Earnings for the purposes of basic earnings per share: net profit for the year attributable to equity holders of the Company (£000's)	102	(1,047)
Number of shares		
Weighted average number of ordinary shares including dilutive warrants	15,418,399	11,602,371

The denominator for the purpose of calculating the basic earnings per share has been adjusted to reflect all capital raisings. No dilutive shares are in issue.

8a. INVESTMENTS	Level 1 £000's	Level 2 £000's	Level 3 £000's	2018 Total £000's	2017 Total £000's
GROUP AND COMPANY					
Investments held at fair value through profit or loss					
At 1 September 2017	508	-	4,084	4,592	3,427
Additions	-	-	-	-	1,932
Disposals / Impairments	-	-	(24)	(24)	(389)
Impairments	-	-	(29)	(29)	(790)
Transfer from loans receivable	-	-	-	-	54
Realised loss at end of year	(4)	-	-	(4)	-
Unrealised gain at end of year	-	-	499	499	358
At 31 August 2018	504	-	4,530	5,034	4,592

Investments are measured at fair value. The directors consider that the carrying amount of investments approximates to their fair value.

Level 1 reflects financial instruments quoted in an active market.

Level 2 fair value remeasurements are those derived from inputs other than quoted pieces included within Level 1 that are observable for the asset or liability, whether directly (i.e. as process) or indirectly (i.e. derived from prices). Level 2 investment relates to an investment portfolio used to maximise the return during the year.

All unquoted investments are level 3 in the fair value hierarchy, being financial instruments whose fair value is determined in whole or in part using valuation techniques based on assumptions that are not supported by prices from observable market transactions in the same instrument and not based on available observable market data.

At 31 August 2018 the Company held 20% or more of a class of the allocated share capital of the following:

Name	Nature of business
C4C Ownership Partners Limited	Non-trading

8b. INVESTMENTS IN ASSOCIATES	2018 £000's	2017 £000's
GROUP AND COMPANY		
Investments in associates		
At 1 September 2017	-	-
Additions	24	-
Share of profits of associate	-	-
At 31 August 2018	24	-

During the year the company investment in CCAP (as mentioned on page 5). The carrying value of the investment is shown above. Investments are measured using the equity method. The value of the interest in associates is individually immaterial to the group. During the year expenses totalling £211,698 were charged by the associate to the parent company in relation to various fees.

Notes to the Financial Statements continued

FOR THE YEAR ENDED 31 AUGUST 2018

9. LOANS AND RECEIVABLES	2018 £000's	2017 £000's
GROUP AND COMPANY		
Loans receivable	1,321	535

During the year under review the company had little exposure to credit, cash flow, market price and interest rate risks. Loans receivable from unquoted companies in the Company's portfolio are subject to liquidity risk. This risk is taken into account by the Directors when arriving at their valuation of these items.

None of the loans receivable are past due. The directors consider that the carrying amount of loans and receivables approximates to their fair value.

	GROUP		COMPANY	
10. TRADE AND OTHER RECEIVABLES	2018 £000's	2017 £000's	2018 £000's	2017 £000's
Trade receivables	27	42	27	42
Amounts due from subsidiaries	-	-	5	5
Short term loans to investees	318	154	318	154
Other receivables	71	80	71	79
	416	276	421	280

There are no significant credit risks arising from financial assets that are neither past due nor impaired.

All receivables as at 31 August 2018 were denominated in Pounds Sterling.

The directors consider that the carrying amount of trade and other receivables approximates to their fair value.

	GROUP		COMPANY	
11. TRADE AND OTHER RECEIVABLES	2018 £000's	2017 £000's	2018 £000's	2017 £000's
Trade payables	-	2	-	2
Corporation tax payable	-	5	-	5
VAT and social security payable	31	67	31	67
Other payables	99	36	99	35
	130	110	130	109
Due within one year	130	110	130	109

Trade creditors principally comprise amounts outstanding for trade purchases and on-going costs. The Directors consider that the carrying amount of trade and other payables approximates their fair value.

	GROUP	
12. PROVISION FOR LIABILITIES AND CHARGES	2018 £000's	2017 £000's
Deferred tax provision	146	8

The movements during the year were as follows:

	2018 £000's
Deferred tax	
At 1 September 2017	8
Charged for the year	138
At 31 August 2018	146

	GROUP & COMPANY	
13. SHARE CAPITAL	2018 £000's	2017 £000's
Issued and fully paid:		
2018: 15,441,942 (2017: 15,384,011) ordinary shares of £0.40 each	6,176	6,154

On 5 October 2017 the Company issued 21,328 ordinary £0.40 shares for a total consideration of £9,598 giving rise to share premium of £1,066 (net of costs).

On 18 January 2018 the Company issued 12,498 ordinary £0.40 shares for a total consideration of £5,624 giving rise to share premium of £625 (net of costs).

On 29 March 2019 the Company issued 13,389 ordinary £0.40 shares for a total consideration of £5,623 giving rise to share premium of £268 (net of costs).

On 9 July 2018 the Company issued 10,716 ordinary £0.40 shares for a total consideration of £4,501 giving rise to share premium of £214 (net of costs).

The Ordinary shares carry the right to one vote per share at general meetings of the Company and the rights to share in any distribution of profits or returns of capital and to share in any residual assets available for distribution in the event of a winding up. The shares are denominated in Pounds Sterling.

14. PROFIT/ (LOSS) ATTRIBUTABLE TO CAPITAL FOR COLLEAGUES PLC

The profit after taxation for the financial year dealt with in the financial statements of the parent Company, Capital for Colleagues Plc, was £102,000 (2017: loss: £1,047,000). As permitted by section 408 of the Companies Act 2006, no separate income statement has been presented in respect of the parent company.

Notes to the Financial Statements continued

FOR THE YEAR ENDED 31 AUGUST 2018

15. RELATED PARTY TRANSACTIONS

Trading transactions

During the year, the Group entered into no transactions with related parties other than those already disclosed in note 8b.

Remuneration of key management personnel

The remuneration of the Directors, who are the key management personnel of the Company, is set out below:

	2018 £000's	2017 £000's
Short term employee benefits	80	94

16. CONTINGENT LIABILITIES

As at 31 August 2018, the company have provided a 3rd party guarantee set at a maximum of £150,000 for a sales invoice facility for one of its investees. In addition, the company has issued a 3rd party guarantee for another investee totalling approximately £60,000 for an equipment lease.

17. POST BALANCE SHEET EVENTS

In the opinion of the Directors, the Group had no adjusting or non-adjusting post balance sheet events requiring disclosure in these financial statements.

Directors, Advisers and Officers

FOR THE YEAR ENDED 31 AUGUST 2018

Registered number
08717989

Directors
Richard Charles Bailey
Alistair Malcolm Thomson Currie
John Stephen Eckersley
Edmund George Jenkins

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