MARECHALE CAPITAL

MARECHALE CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2019

MARECHALE CAPITAL PLC

COMPANY INFORMATION

Directors	Mark Warde-Norbury (Chairman) Patrick Booth-Clibborn (Chief Executive) Lord Flight, of Worcester (Non Executive)
Secretary	Richard Shand
Company number	03515836 (England and Wales)
Registered office (and business address)	46 New Broad Street London EC2M 1JH
Auditors	UHY Hacker Young Quadrant House 4 Thomas More Square London E1W 1YW
Bankers	Barclays Bank Plc PO Box 3261 Ashton House 497 Silbury Boulevard Milton Keynes BX3 2BB
Nominated adviser	Cenkos Securities Plc 6.7.8 Tokenhouse Yard, London EC2R 7AS
Registrars	SLC Registrars David Venus & Company Thames House Portsmouth Road Esher Surrey KT10 9AD
Solicitors	Pinsent Masons LLP One Ropemaker Street London EC2Y 9AH
Website	www.marechalecapital.com

MARECHALE CAPITAL PLC

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Chairman's Statement

Marechale Capital's revenues for the year of £512,000 are down on last year (2018: £675,000), resulting in a lower gross profit of £400,000 (2018: £595,000). The fall in revenues can be partially explained by a delay in closing a number of projects which we announced in our trading update statement in May. It is also a reflection of the wider market where investor appetite is subdued due to uncertainty over Brexit, and transactions are generally taking longer to complete.

The fall in revenues has contributed to an operating loss of £288,000 for the year (2018: £17,000 loss).

Administrative Expenses in the year were £688,000 compared to £612,000 in 2018; the former includes a provision of £40,000 to compensate a Director for the early termination of his contract, and the latter contained a one-off credit of £84,000 to reverse the accumulated cost of options granted under the Company Option Scheme, which had been forfeited. The Company has also moved offices to less expensive accommodation. The Directors anticipate that annual savings of the order of £175,000 will result from these measures.

Equity Investments and Warrants are valued at 'fair value', typically at a price which reflects their last funding round, and underlying movement in fair value is reflected through the Profit and Loss Account in accordance with IFRS 9: in previous years unrealised gains on Equity Investments were recorded to the Revaluation Reserve and released to the Profit and Loss Account when realised. Please note that this is a significant change in accounting policy, more fully explained in the paragraph immediately below.

Investments in three client companies have shown modest realised gains of £78,750 (compared to unrealised losses on Warrants of £118,500 in 2018). However, under the new Accounting Standard, IFRS 9, 'Accounting for Financial Instruments', because £57,000 of these gains had been recorded as the fair value of those investments at 30 April 2018 as reflected in the Revaluation Reserve as an *unrealised* gain, we may no longer record them to the Profit and Loss Account in the current year, and instead this was recorded directly to Profit and Loss Reserves on adoption of IFRS 9. Thus the only gains recorded this year amounting to £21,750 result from fair value gains in the current year. Furthermore, under the same Standard, the Company has made a £30,100 impairment provision for *unrealised* losses, resulting in overall 'Other Losses' of £8,350.

The net effect is a loss for the year before tax of £298,000 (2018: Loss of £198,000).

The balance sheet value has reduced during the year to £179,000 (2018: £465,000) which is more fully explained in the Statement of Changes in Equity.

The Company has previously reported on its investment in Northfield UK Solar Limited ("NUKS") and, as previously announced, it had been a challenging time for NUKS owing to the changes in the renewable energy fiscal regime and the impracticalities of integrating new renewable schemes into the UK's traditional energy infrastructure. Following a series of value write downs, NUKS has been wound up resulting in a modest return of capital to shareholders.

On the positive side, the Company had a record year with a total of five exits for Marechale financed projects during the period. This included West Country Renewables, a solar and wind power business, which was sold to Community Power Cornwall, resulting in a high return to investors and on Marechale's founder equity.

Investors in Marechale projects also benefited from the sale of Egmere and Grange Park anaerobic digestion plants operated by Future Biogas, to John Lang Environmental Assets Group, The Inn Collection Group to Alchemy Partners, and the sale of Sheen Falls lodge, all of which generated multiple returns for investors.

On new projects the Company had another busy year successfully completing several leisure deals for existing and new clients including acquisition finance for the East Anglia based luxury inn group Chestnut Inns, West Country pub group Stay Original and leading biogas operator Future Biogas. Further growth capital funding was completed for national brewpub business Brewhouse & Kitchen and award-winning craft distiller Oslo Distillery. Additionally, the Company has completed advisory work for a wide range of consumer brand, hospitality and renewable energy businesses.

Further information is available on the Marechale Capital website.

Despite a challenging market the Company continues to maintain its position as a leading adviser and financier to UK and European growth hospitality companies, hotels, and pub assets as well as advising and financing one of the UK's largest biogas companies.

The Management team are highly selective about the businesses Marechale advises and continues to make good returns and attractive IRRs for the investors who have financed these projects and investments over the last 9 years.

In addition, the Company has taken action to reduce its monthly running costs and continues to keep its policy of operating a low-cost investment banking model.

Marechale has maintained its policy of taking equity and warrants in the projects it finances which the Board hopes will generate an uplift to shareholders.

The Board continues to review all options to add value and the Directors will be seeking shareholder approval at the Company's AGM to disapply preemption rights in order to retain flexibility for possible future equity issues for the Company, should this be deemed to be the right course of action, as well as approval for a new option scheme to incentivize key existing and new management.

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Mark Warde-Norbury
Chairman

28 August 2019

Companies traded on AIM are not required to adopt the UK Governance Code, and instead may choose to adopt the QCA Corporate Governance Code. The Directors of Marechale Capital are committed to high standards of corporate governance and have adopted the QCA Corporate Governance Code.

The Operation of Marechale Capital

Marechale's business model is to help management teams to finance or refinance in two key areas of activity; Growth Capital private equity transactions for more established businesses, and Development Capital, fundraising for smaller growth companies, the latter typically being Enterprise Investment Scheme (EIS) qualifying. As part of its strategy, the Company secures warrants or equity on most of its projects as part of its success fee, so Marechale's shareholders have the opportunity to share potentially in the upside of the equity value in these businesses.

Marechale has two full-time staff being the Chief Executive and his Assistant ('CEA'), supported by a part-time Chairman, one Non Executive Director ('NED', who can also be considered independent), a Company Secretary/Financial Officer, and other Corporate Finance Associates. With the exception of the NED, when required, all staff attend the sole office at 46 New Broad Street, where they share the same office, which ensures that lines of communication are very short. With the exception of the CEA, all the staff are 'seasoned professionals' in their fields, the average age being >50 years. The Corporate Culture reflects that cumulative experience without the need for detailed day-to-day supervision. The Corporate Strategy and Objectives are determined by the Board of Directors. The management of risk, and take-on of new clients, are determined by the Chief Executive. The Board of Directors meets regularly and the agenda always includes consideration of the key challenges and how to address these in executing its strategy. The Remuneration and Audit Committees, meet at least once a year, as part of the risk management.

The operational model of Marechale is as a low cost investment banking business, where external expertise is brought in, as required, on a fee basis.

The Board considers that its level of disclosure, evaluation, monitoring and reporting is commensurate with the size of the business, and hence the omission from these accounts of audit committee, remuneration and board performance reports.

More detail on the experience and background of the Directors together with further disclosures required by the QCA Corporate Governance Code can be found in the Corporate Governance section of the Company's website.

Board of Directors

The Board of Directors is responsible for Corporate Governance and consists of the two Executive and one Non-Executive Directors whose roles are listed on the Group Information page. The Non-Executive Director's role is to bring independent judgement to Board discussions and decisions. The Board meets regularly throughout the year in order to review financial performance and regulatory compliance and will consider any matters of significance to the Group including corporate activity.

Remuneration Committee

The Remuneration Committee comprises the Non-Executive Director and the Chairman and meets at least once a year. The Committee provides independent review of the Executive Directors' remuneration and the Group Remuneration Policy. It makes its decisions in consultation with the Chief Executive. No Director plays a part in any decision about their own remuneration. Given that the Company employs only four members of staff, of whom two are the Executive Directors, plus one Non-Executive Director, the proportion of Directors' Remuneration to overall administrative expenses *appears* disproportionately high. The Remuneration Committee is satisfied that this is simply the result of having so few staff and low other administrative expenses.

Audit Committee

The Audit Committee, which comprises the Non-Executive Director and the Chairman, has the following responsibilities:

* monitoring of the Group's internal control environment;
* assessing the Group's financial risks;
* reviewing the Group's financial statements, reports and announcements and the accounting policies that underlie them;
* recommending to the Board on the appointment and remuneration of external auditors; and
* monitoring of the independence of the Auditors and the establishment of a policy for the use of the Auditors for non-audit work.

The Audit Committee meets at least once a year.

Other Directors, members of staff and the Auditors are invited to attend these meetings, as appropriate.

Internal Financial Control

The Directors are responsible for ensuring that the Group's system of internal control enables them to report financial information with reasonable accuracy and safeguard the assets of the Group. At the time of approving the financial statements the Directors found the financial control system to be appropriate for a company of this nature and size. The key elements of this system are described below:

Defined Procedures

Major and recurrent transactions are carried out in accordance with defined procedures.

Organisational Structure

The Group's organisational structure is documented and available for review by all members of staff. Individual responsibilities are defined and individual performance is monitored.

Risk management

The Directors have responsibility for identification and management of the business risks facing the Group. Significant areas of business risk are identified, and the management approach to guard against these risks is defined and controlled through adoption of key control objectives.

Information Systems

A budget is prepared annually and actual results are compared against the budget on a monthly basis. Variances from the budget are analysed and reviewed. Rolling 12 month forecasts are prepared and updated quarterly.

Going concern

In establishing the applicability of the going concern basis, the Directors have made enquiries as to the financial resources of the Group. The Company does not benefit from reliable repetitive income, and instead relies on deal-driven transactions whose timing is very difficult to predict accurately. Whilst the Directors are confident that they will generate enough income on an annual basis in order to continue as a going concern, they have 'alternative strategies' in place, e.g informal arrangements with creditors and/or the ability to sell both Equity investments and/or Warrants should the need arise to overcome any potential short-term cash flow shortage. The Directors are also confident that they could raise sufficient funds through the issue of further equity in the market should the need arise: however, given the trading results for the year and the current economic uncertainty, the Directors recognise that there is a significant material uncertainty that either will happen. Nonetheless, the Directors have determined to prepare the Accounts on a Going Concern basis.

Dialogue with Shareholders

The Group reports formally to its shareholders twice per year when its half-year and financial year end results are announced and reports are sent to shareholders. The Annual Report includes the notice of the Annual General Meeting of the Group at which the Directors are available to answer questions.

When matters arise of particular significance or it is required in accordance with the Companies Act 2006, the Board will arrange to hold an Extraordinary General Meeting of which notice will be sent to Shareholders and at which the Directors are available to answer questions.

Employees

The Group recognises the benefit of keeping its employees informed of all relevant matters on a regular basis. The Company is an Equal Opportunities Employer and all applications for employment are considered fully on the basis of suitability for the job. Detailed employment policies have been established and incorporated into employee conditions of employment.

On behalf of the Board

Mark Warde-Norbury

Director

28 August 2019

MARECHALE CAPITAL PLC

STRATEGIC REPORT

FOR THE YEAR ENDED 30 APRIL 2019

Principal Activity

The Company provides advice and broking services to companies.

Review of the Business

The Directors are disappointed to report:

- a 24% reduction in revenues from £675,000 to £511,000.
- a 33% reduction in gross profit – revenue less commissions paid to 3rd party IFA's - from £595,000 to £400,000
- a 10% decrease in gross profit % from 88% to 78%.

	2019	2018
• Administrative expenses	£676,000	£671,000
Profit share	£ -	£ 25,000
Share based payments/ (credits)	£ 12,000	(£84,000)
Total administrative expenses	£688,000	£612,000

Operating losses increased from £17,000 to £288,000

The Directors' dual strategies of obtaining warrants in addition to cash commissions, and of investments in client companies is a long-term activity which generally has been positive. Nonetheless, in 2019 the Company reported Other Losses of £8,350 under IFRS 9 through the P&L, as more fully described in the Chairman's report, (2018: Other Losses of £118,000 largely relating to disappointing results in a single investee company in the renewables market). In 2019, the company transferred £81,826 from the Fair Value Revaluation Reserve to P&L Reserves.

The net effect of the above delivered a loss before tax of £298,000 (2018: Loss £198,400).

Position at 30 April 2019

The Balance Sheet at 30 April 2019 is set out on page 23.

Position at 30 April 2019 (continued)

Equity Investments *previously* recognised through Other Comprehensive Income valued at £81,000 were sold for a profit of £78,750.

The value of Warrants in unquoted companies for whom the Company has raised funds, which are held at 'fair value', has reduced by £77,000 being realisations during the year, (2018: £118,500 write downs).

Trade and other receivables have reduced by £96,000 reflecting the quiet level of trading at year-end.

Cash and cash equivalents have increased by £30,000 (2018: reduced by £184,000) as more fully described in the Consolidated Cash Flow Statement.

Trade and other payables increased by £43,000 (2018: decreased by £82,000) reflecting compensation terms on the departure of a Director.

Net assets at 30 April 2019 stood at £179,000 compared to £465,000 at 30 April 2018, as a result of Operating Losses.

Future Developments

The Group has succeeded in developing a low cost investment banking and corporate finance business whose remit is set to continue.

Principal Risks and Uncertainties

The principal risk and uncertainty faced by the Group is if it fails to attract new clients and execute fund-raising corporate finance projects. There are clearly macro-economic risks associated with 'Brexit'.

On behalf of the Board

Mark Warde-Norbury

Director

28 August 2019

MARECHALE CAPITAL PLC

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 APRIL 2019

The Directors present their report together with the audited financial statements of the Group for the year ended 30 April 2019.

Results

As more fully described on page 22, the Company incurred a loss of £298,000 (2018: loss £198,500).

Dividends

The Directors do not recommend the payment of a dividend for the current year (2018: £nil).

Key Performance Indicators

1. To deliver a Profit before tax, which was not achieved.
2. To increase the pipeline of existing and new clients leading to more deals closed. The Company achieved the former, but not the latter.

Directors

The Directors who held office since 1 April 2018 were:

Mark Warde-Norbury (Chairman)
Lord Flight of Worcester (Non-Executive)
Patrick Booth-Clibborn (Chief Executive)
Jeremy Stephenson (Executive – resigned 15 April 2019)

Directors' Interests

The Directors' interests in the shares and options of the Group were as stated below:

New Ordinary shares of 0.8p each	At 30 April 2019	At 30 April 2018
Mark Warde–Norbury	11,282,902-19.6%	11,282,902-19.6%
Lord Flight	388,060 – 0.7%	388,060 – 0.7%
Patrick Booth-Clibborn	8,244,74 – 14.3%	8,244,740 – 14.3%
Jeremy Stephenson	400,000 – 0.7%	400,000 – 0.7%

Options on 0.8p Ordinary Shares	**30 April 2019**	**30 April 2018**
Mark Warde–Norbury	547,971 – 0.95%	-
Lord Flight	-	-
Patrick Booth-Clibborn	4,395,303 - 7.62%	-
Jeremy Stephenson	547,971 – 0.95%	-

On 27 April 2018 the Directors agreed to forfeit all their options because the strike price was considered unachievable. On 8 November 2018, the Remuneration Committee approved the above options at an exercise price of 1.12p/share.

The remuneration of the Directors was as follows:

	30 April 2019 £	**30 April 2018** £
Mark Warde–Norbury	30,000	30,000
Lord Flight *	8,500	8,500
Patrick Booth-Clibborn	180,000	205,000
Jeremy Stephenson**	115,000	120,000

* No remuneration is paid directly to Lord Flight, instead the Company pays the compensation of an assistant to work for Lord Flight.

** The above does not include compensation for loss of office of £30,000, discretionary bonus of £5,000, and holiday pay arrears of £4,800, paid on termination of Mr Stephenson's contract on 15 April 2019.

The executive directors and staff benefit from a bonus scheme which takes into account both profitability and other performance factors as determined by the Remuneration Committee. In the above table Mr Warde-Norbury has benefitted from £nil (2018: £nil) profit share, Mr Booth-Clibborn £nil (2018: £25,000), and Mr Stephenson £nil (2018: £nil).

Substantial Shareholders

As at 31 July 2019 (being the last practical date prior to the date of this document) and save as set out below, the Group was not aware of any person, who, other than the Directors, directly or indirectly, had an interest representing 3 per cent or more of the issued ordinary share capital in the Group (being the threshold at or above which, in accordance with the provisions of Section 5 of the Disclosure and Transparency Directive published by the FCA, any interest must be disclosed by the Group):

3% or more shareholders (excluding Directors)	*No. shares*	*%*
Mr L Hogan	2,290,702	4.0%
Mr D Smith	3,139,077	5.4%

Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Reporting Standards, as adopted by the European Union.

Company law requires the Directors to prepare financial statements for each financial year which give a true and fair view of the state of affairs of the Group and of the profit or loss of the Group for that period. In preparing those financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;

- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and

- 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 adequate accounting records which disclose with reasonable accuracy at any time the financial position of the Group and Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Group and Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included in the Company's website.

Directors' and Officers' Insurance

The Company purchases and maintains Liability Insurance for its Directors and Officers as permitted by the Companies Act 2006.

Statement of Disclosure to the Auditors

So far as the Directors are aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the Directors have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that UHY Hacker Young be reappointed as auditors of the company will be put to the Annual General Meeting.

On behalf of the Board

Mark Warde-Norbury

Director

28 August 2019

UHY Hacker Young
Chartered Accountants

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF MARECHALE CAPITAL PLC

Opinion

We have audited the financial statements of Marechale Capital Plc for the year ended 30 April 2019, which comprise the Consolidated Income Statement, the Consolidated Statement of Comprehensive Income, the Consolidated and Company Balance Sheets, the Consolidated and Company Statements of Changes in Equity, the Consolidated and Company Cash Flow Statements, and the related notes, 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 and Parent Company's affairs as at 30 April 2019 and of the Group's loss for the year end 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 Company 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.

Material uncertainty related to Going concern

In forming our opinion on the financial statements we have considered the adequacy of the disclosure made in note 2 to the financial statements concerning the company's ability to continue as a going concern. The company generated a loss during the year of £298,017 and should losses continue to be generated at a similar level without additional capital being raised from the shareholders then the company will likely breach its capital resources requirement with the FCA and not be able to meet its liabilities as they fall due in the foreseeable future.

Whilst the Directors believe sufficient profits will be generated or additional capital provided by the shareholders these conditions along with other matters discussed in note 2 to the financial statements indicate the existence of a significant uncertainty which may cast significant doubt over the company's ability to continue as a going concern.

Our opinion is not modified in respect of this matter.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

Key audit matters

Key audit matters are those matters that, in our professional judgement, 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.

Our assessment of risks of material misstatements

We identified the following risks of material misstatement that we believe had the greatest impact on our overall audit strategy and scope, the allocation of resources in the audit, and directing the efforts of the team. This is not a complete list of all risks identified by our audit.

Key audit matter	How our audit addressed the key audit matter
Management override of controls Management override of controls is deemed to be a significant risk in accordance with ISAs (UK) and presents the risk that management or those charged with governance could override the internal controls of the company in preparing the financial statements resulting in a material misstatement.	We reviewed journals and cash transactions to identify any unusual or exceptional transactions. We investigated and tested a sample of items to ensure that amounts paid during the year related to business expenses and that transactions were appropriate. We also evaluated whether there was evidence of bias by the directors that represented a risk of material misstatement of fraud. On the basis of our testing performed, we are satisfied that there were no instances of management override of controls.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

Key audit matter	How our audit addressed the key audit matter
Revenue from contracts with customers and cut off There is a risk that revenue is recognised on an inappropriate basis; meaning incorrect calculations of income being made.	We obtained a list of all engagements present in the year and selected a sample to test substantively. This included reviewing the stage of completion of each engagement tested and assessing whether the correct amount of revenue had been recognised and that it was recognised within the correct period. We also reviewed cut off procedures around the year-end to gain comfort that the revenue has been recognised in the correct period. We did not identify any issues from the testing we performed.
Going Concern There is a risk that the company may not be a going concern for the foreseeable future and the management of the group has not appropriately disclosed this in the financial statements.	We were provided with the cash flow projections from management. We considered the reasonableness of the assumptions made and assessed the sufficiency of going concern disclosures within the accounts. Owing to the losses being generated we have issued a material uncertainty disclosure in respect of Going concern. We have reviewed the Directors disclosure of the reasoning for adopting the going concern basis of preparation and consider the disclosure is sufficient and appropriate.
IFRS9 Financial Instruments IFRS 9 replaces IAS 39 and as such there is a risk of incorrect recognition and measurement of Financial Instruments held by the group.	We reviewed the Group's assessment of the classification and measurement of financial instruments under IFRS 9 which primarily impacted the warrants and equity investments held. We are satisfied that the financial instruments have been correctly accounted for in accordance with IFRS 9.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

Our application of materiality

The scope and focus of our audit was influenced by our assessment and application of materiality. We apply the concept of materiality both in planning and performing our audit, and in evaluating the effect of misstatements on our audit and on the financial statements.

We define financial statement materiality as the magnitude by which misstatements, including omissions, could influence the economic decisions taken on the basis of the financial statements by reasonable users.

We also determine a level of performance materiality which we use to determine the extent of testing needed to reduce to an appropriately low level the probability that the aggregate of uncorrected and undetected misstatements exceeds materiality for the financial statements as a whole.

Overall materiality:	We determined materiality for the financial statements as a whole to be £10,000.
How we determined it:	Based on the main key indicators, being revenue, Gross and Net assets at 30 April 2019 and losses before tax.
Rationale for benchmarks applied:	We believe that these benchmarks are appropriate due to the status of the company and the nature of its activities.
Performance materiality:	On the basis of our risk assessment, together with our assessment of the company's control environment, our judgement is that performance materiality for the financial statements should be 75% of materiality, amounting to £7,500.

An overview of the scope of our audit

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed sufficient work to be able to give an opinion on the financial statements as a whole, taking into account an understanding of the structure of the company, its activities, the accounting processes and controls, and the industry in which they operate. Our planned audit testing was directed accordingly and was focused on areas where we assessed there to be the highest risk of material misstatement. During the audit we reassessed and re-evaluated audit risks and tailored our approach accordingly.

The audit testing included substantive testing on significant transactions, balances and disclosures, the extent of which was based on various factors such as our overall assessment of the control environment, the effectiveness of controls and the management of specific risk.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

We communicated with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant findings, including any significant deficiencies in internal control that we identify during the audit.

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 auditors' 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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 Company, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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.

Responsibilities of directors

As explained more fully in the statement of directors' responsibilities, 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 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 Company or to cease operations, or have no realistic alternative but to do so.

UHY Hacker Young LLP
Quadrant House
4 Thomas More Square
London E1W 1YW

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.

Use of our report

This report is made solely to the Company's members, as a body, in accordance with part 3 of Chapter 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.

Daniel Hutson (Senior Statutory Auditor)
For and on behalf of UHY Hacker Young
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

29 August 2019

Marechale Capital Plc

Consolidated Income Statement
Year ended 30 April 2019

	Notes	Year ended 30-Apr 2019 (£)	Year ended 30-Apr 2018 (£)
Continuing operations			
Revenue	4	511,691	674,756
Cost of sales		(111,323)	(79,721)
Gross profit		400,368	595,035
Administrative expenses		(688,171)	(611,813)
Operating loss	5	(287,803)	(16,778)
Finance expense	6	(149)	(21)
Other gains/(losses)	7	(8,357)	(118,500)
Net (loss) in respect of associate	11b	(1,513)	(3,549)
Provision for project loss in associate	11c	(195)	(59,600)
Loss before tax		(298,017)	(198,448)
Taxation	8	-	-
Loss for the year on continuing operations		(298,017)	(198,448)
Loss per share		**(Pence)**	**(Pence)**
Basic - Continuing operations	10	(0.52)	(0.34)
- Diluted	10	(0.52)	(0.34)

Consolidated Statement of Comprehensive Income

	2019 (£)	2018 (£)
Loss for the year	(298,017)	(198,448)
Other comprehensive income		
Fair value adjustment on equity investment through other comprehensive income	-	(12,500)
	-	(12,500)
Total recognised comprehensive loss (all attributable to owners of the parent)	(298,017)	(210,948)

Marechale Capital Plc

Consolidated Balance Sheet

As at 30 April 2019

	Notes	Year ended 30-Apr 2019 (£)	Year ended 30-Apr 2018 (£)
Non current assets			
Investment in associate	11a	-	14,038
Current assets			
Investment in associate	11a	12,330	-
Equity investments al fair value through profit and loss	12	75,479	174,619
Warrants at fair value through profit and loss	13	1,550	78,388
Trade and other receivables	14	105,206	201,174
Cash and cash equivalents	15	148,600	118,340
Total current assets		343,165	572,521
Total assets		343,165	586,559
Current liabilities			
Trade and other payables	16	(164,028)	(121,344)
Total current liabilities		(164,028)	(121,344)
Net assets		179,137	465,215
Equity			
Capital and reserves attributable to equity shareholders			
Share capital	17	461,449	461,449
Fair value reserve through other comprehensive income		-	81,826
Reserve for own shares		(50,254)	(50,254)
Reserve for share based payments		11,939	-
Retained losses		(243,997)	(27,806)
		179,137	465,215

The financial statements were approved by the Board of Directors and authorised for issue on 28 August 2019.
They were signed on its behalf by:

M. W

Mark Warde-Norbury
Director

Company No: **03515836**

Marechale Capital Plc
Company Balance Sheet
As at 30 April 2019

	Notes	Year ended 30-Apr 2019 (£)	Year ended 30-Apr 2018 (£)
Non current assets			
Investments	11	-	508
Current assets			
Investment in associate	11	508	-
Equity Investments at fair value through profit and loss	12	75,479	174,619
Warrants at fair value through profit and loss	13	1,550	78,388
Trade and other receivables	14	105,206	201,174
Cash and cash equivalents	15	148,600	118,340
Total current assets		331,343	572,521
Total assets		331,343	573,029
Current liabilities			
Trade and other payables	16	(164,028)	(121,344)
Total current liabilities		(164,028)	(121,344)
Net assets		167,315	451,685
Equity			
Capital and reserves attributable to equity shareholders			
Share capital	17	461,449	461,449
Fair value reserve through other comprehensive income		-	81,826
Reserve for own shares		(50,254)	(50,254)
Reserve for share based payments		11,939	-
Retained losses		(255,819)	(41,336)
		167,315	451,685

The loss for the company for the year is £296,310 (2018: Loss £135,299).

The financial statements were approved by the Board of Directors and authorised for issue on 28 August 2019. They were signed on its behalf by:

Mark Warde-Norbury
Director

Company No: **03515836**

Marechale Capital Plc
Statement of Changes in Equity
Year ended 30 April 2019

Consolidated	Share capital (£)	Share premium (£)	Reserve for fair value (£)	Reserve for own shares (£)	Retained earnings (£)
Balance at 30 April 2017	**2,474,308**	**1,247,379**	**94,326**	**(50,254)**	**(3,005,144)**
Capital reduction	(2,012,859)	(1,247,379)	-	-	3,260,238
Reserve for share based payments	-	-	-	-	(84,453)
Transactions with owners	(2,012,859)	(1,247,379)	-	-	3,175,785
Total comprehensive income					
Loss for the financial period	-	-	-	-	(198,447)
Revaluation during the financial period	-	-	(12,500)	-	-
Total comprehensive income	-	-	(12,500)	-	(198,447)
Balance at 30 April 2018	**461,449**	-	**81,826**	**(50,254)**	**(27,806)**
Total comprehensive income					
Loss for the financial period					(298,017)
Transfer to P&L Reserves per IFRS#9			(81,826)		81,826
Total comprehensive income	-	-	(81,826)	-	(216,191)
Balance at 30 April 2019	**461,449**	-	-	**(50,254)**	**(243,997)**
Company					
Balance at 30 April 2017	**2,474,308**	**1,247,379**	**94,326**	**(50,254)**	**(3,081,823)**
Capital reduction	(2,012,859)	(1,247,379)	-	-	3,260,238
Reserve for share based payments	-	-	-	-	(84,453)
Transactions with owners	(2,012,859)	(1,247,379)	-	-	3,175,785
Total comprehensive income					
Loss for the financial period	-	-	-	-	(135,298)
Revaluation during the financial period	-	-	(12,500)	-	-
Total comprehensive income	-	-	(12,500)	-	(135,298)
Balance at 30 April 2018	**461,449**	-	**81,826**	**(50,254)**	**(41,336)**
Total comprehensive income					
Loss for the financial period					(296,310)
Transfer to P&L Reserves per IFRS#9			(81,826)		81,826
Total comprehensive income	-	-	(81,826)	-	(214,484)
Balance at 30 April 2019	**461,449**	-	-	**(50,254)**	**(255,819)**

	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Reserve for share based payments	11,939	-	11,939	-
	11,939	-	**11,939**	-

Marechale Capital Plc
Consolidated Cash Flow Statement
Year ended 30 April 2019

	Note	Year ended 30-Apr 2019 (£)	Year ended 30-Apr 2018 (£)
Net cash from operating activities			
Loss before tax		(298,017)	(198,448)
Provision for/(reversal of) share based payments		11,939	(84,453)
Reverse (gains)/losses on fair value investment through profit and loss		8,357	118,500
Reverse loss in Associate Company		1,513	3,549
Reverse provision for losses in Associate Company		195	59,600
Reverse net interest expense		149	21
Operating cash flows before movements in working capital		(275,864)	(101,231)
Movement in working capital			
Decrease in receivables		95,969	20,502
Increase/(decrease) in payables		42,684	(81,914)
Tax paid		-	(92)
		138,653	(61,504)
Cash flow from operating activities		(137,212)	(162,735)
Investment activities			
Interest received		46	113
Expenditure on equity investments		(12,700)	(21,280)
Proceeds from sale of equity investments through profit and loss		103,483	-
Proceeds from sale of warrants through profit and loss		76,838	-
Cash flow from investing activities		167,667	(21,167)
Financing			
Interest paid		(195)	(134)
Cash flow from financing activities		(195)	(134)
Net increase/(decrease) in cash and cash equivalents		30,260	(184,036)
Cash and cash equivalents at start of the financial year		118,340	302,375
Cash and cash equivalents at end of the financial year	15	148,600	118,340
Increase/(decrease) in cash and cash equivalents		30,260	(184,036)

Marechale Capital Plc
Company Cash Flow Statement
Year ended 30 April 2019

	Note	Year ended 30-Apr 2019 (£)	Year ended 30-Apr 2018 (£)
Net cash from operating activities			
Loss before tax		(296,310)	(135,299)
Provision for/(reversal of) share based payments		11,939	(84,453)
Reverse (gains)/losses on fair value investment through profit and loss		8,357	118,500
Reverse net interest expense		149	21
Operating cash flows before movements in working capital		(275,865)	(101,231)
Movement in working capital			
Decrease in receivables		95,969	20,502
Increase/(decrease) in payables		42,684	(81,914)
Tax paid		-	(93)
		138,653	(61,504)
Cash flow from operating activities		(137,212)	(162,735)
Investment activities			
Interest received		46	113
Expenditure on equity investments		(12,700)	(21,280)
Proceeds from sale of equity investments through profit and loss		103,483	-
Proceeds from sale of warrants through profit and loss		76,838	-
Cash flow from investing activities		167,667	(21,167)
Financing			
Interest paid		(195)	(134)
Cash flow from financing activities		(195)	(134)
Net increase/(decrease) in cash and cash equivalents		30,260	(184,036)
Cash and cash equivalents at start of the financial year		118,340	302,375
Cash and cash equivalents at end of the financial year	15	148,600	118,340
Increase/(decrease) in cash and cash equivalents		30,260	(184,036)

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2019

1. General information

Marechale Capital PLC is a company registered in England and Wales under the Companies Act 2006. The Group's principal activities are the provision of advice and broking services to companies. The financial statements are presented in pounds sterling, the currency of the primary economic environment in which the Group operates.

The Group's registered office and principal place of business is 46 New Broad Street, London, EC2M 1JH.
The Company's registered number is 03515836.

2. Significant accounting policies

a. Going concern

In establishing the applicability of the going concern basis, the Directors have made enquiries as to the financial resources of the Group.

The Company does not benefit from reliable repetitive income, and instead relies on deal-driven transactions whose timing is very difficult to predict accurately. Whilst the Directors are confident that they will generate enough income on an annual basis in order to continue as a going concern, they have 'alternative strategies' in place, e.g. informal arrangements with creditors and/or the ability to sell both equity investments and/or warrants to overcome any potential short term cash flow shortage. The Directors are also confident that they could raise sufficient funds through the issue of further equity should the need arise: however, given the trading results for the year and the current economic uncertainty, the Directors recognise that there is a significant material uncertainty that either will happen. Nonetheless, the Directors have determined to prepare the Accounts on a Going Concern basis.

b. Basis of accounting

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union, IFRS Interpretations Committee ('IFRS IC') interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

The financial statements have been prepared on the historical cost basis as modified by the valuation of certain financial instruments, as described below.

The consolidated financial statements incorporate the accounts of the Company and its subsidiary and have been prepared by using the principles of acquisition accounting ("the purchase method") which includes the results of the subsidiaries from their date of acquisition. Intra-group sales, profits and balances are eliminated fully on consolidation.

Subsidiaries are entities over which the Group has control, being the power to govern the financial and operating policies of the acquired entity so as to obtain benefits from its activities.

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating decisions of the investee, but it is not control or joint control, over those policies.

The principal accounting policies are set out below.

c. Changes in accounting policy:

Certain investments in equities have been reclassified from Available-for-sale Financial Assets to Financial Assets at Fair Value through Profit and Loss Under IFRS 9. Related fair value gains were transferred from Available-for-sale Financial Assets Reserve to Retained Earnings on 1 May 2018. The group has elected to apply the limited exemption in IFRS 9 paragraph 7.2.15 relating to transition for classification and measurement and impairment, and accordingly has not restated comparative periods in the year of initial application. As a consequence, any adjustments to carrying amounts of financial assets are recognised at the beginning of the current reporting period, with the difference recognised in opening retained earnings. As such all movements in the Fair Value of such Investments in an accounting period are now reflected through Profit and Loss at each reporting date. This amounts to a loss of £8,357 in the current reporting period.

d. Financial risk management objectives and policies

The Company's principal financial assets are cash and cash equivalents, trade and other receivables and investments. The Company's credit risk is primarily attributable to its trade receivables and its market risk is primarily attributable to its investments. The amounts presented in the Balance Sheet are net of allowances for impairment of receivables.

2. Significant accounting policies (continued)

e. Financial instruments
Investments at fair value through profit and loss ('Equity investments')
Equity investments are initially measured at cost, including transaction costs. At each reporting date fair value is assessed and resultant gains and losses are included directly in the Income Statement under IFRS 9.

Investments at fair value through profit and loss ('Warrants')
Warrants consist of options held in unquoted companies, which are held at fair value. At each reporting date, fair value is assessed and resultant gains and losses are included directly in the Income Statement under IFRS 9.

Trade and other receivables
Trade and other receivables are measured at amortised cost.
Appropriate allowance for estimated irrecoverable amounts is recognised in the Income Statement where there is objective evidence that the asset is impaired. The allowance recognised is measured as the difference between the carrying amount and the present value of estimated future cash flows discounted at the effective interest rate computed at initial recognition.

Trade and other payables
Trade and other payables are measured at amortised cost.

Financial liabilities and equity
Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of the liabilities.

f. Foreign currencies
Transactions in foreign currencies are recorded at the rate of exchange at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are reported at the rates of exchange prevailing at that date. Gains and losses arising during the period on transactions denominated in foreign currencies are treated as normal items of income and expenditure in the Income Statement.

g. Operating leases
Rentals payable under operating leases are charged to income on a straight-line basis over the term of the lease.

h. Cash and cash equivalents
Cash and cash equivalents comprise cash at bank and deposits held at call with banks.

i. Taxation
In future years mainstream corporation tax is likely to be payable, which will be based on taxable profit for the year. Taxable profit differs from net profits as reported in the Income Statement because it excludes items opf income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Group's liability for current tax will be calculated using tax rates which 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 amounts of assets and liabilities in the Financial Statements and the corresponding tax bases in the computation of taxable profit, and is accounted for using the Balance Sheet Liability Method. Deferred tax liabilities are generally recognised for all temporary differences and deferred assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be used. Such assets and liabilities are not recognised if the temporary differences arise from the initial recognition of goodwill or from initial recognition (other than in a business combination) of other assets and liabilities in a transaction that effects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each Balance Sheet date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same tax authority and the Group intends to settle its current tax assets and liabilities on a net basis.

2. Significant accounting policies (continued)

j. Revenue recognition
Revenue is measured at the fair value of the consideration received or receivable and represents amounts receivable for services provided in the normal course of business, net of discounts, VAT, and other sales related taxes.
Revenue comprises broking commissions, and retainer fees for corporate finance advisory services. Where the revenue is success-fee based, it is taken to the Income Statement on the successful completion of the transaction. Retainer fees are taken to the Income Statement pro-rata to the period invoiced.

Interest income is based on the effective rate applicable for the period during which demand deposits are held.

k. Employee share ownership plans trust ('ESOP')
The ESOP trust is accounted for in line with IAS 32, 'Financial Instruments - Presentation', re: treasury shares whereby shares have been shown at cost in a separate Reserve as a deduction from Shareholders' Funds.

l. Investments
The Parent Company's investment in its subsidiary company and associate is stated at cost less provision for impairment in the Company's balance sheet.

m. Key assumptions and sources of estimation
The value of equity investments and warrants are inherently subjective where they relate to private limited companies where there is no open market value. In these cases the Directors have assessed the value using the most recent information available on the share price, such as recent share issues and/or shares sales between third parties.

n. Share based payments
The Company made share-based payments to certain Directors and staff by way of issue of share options.
The fair value of these payments is calculated by the Company using the Black-Scholes option pricing model.
The expense is recognised on a straight line basis over the period from the date of award to the date of vesting, based on the Company's best estimate of the number of shares that will eventually vest.

3. Accounting Standards issued
The following IFRS standards and interpretations, have come into effect during the year and have been applied in preparing the financial statements:

IFRS 9 (new standard) "Financial Instruments" Effective 1 Jan 2018

In accordance with IFRS 9, all financial instruments are initially measured at fair value in addition to any transaction costs. Where assets are measured at fair value, gains and losses are to be recognised either entirely through profit or loss or through other comprehensive income, and debt instruments should be revalued through other comprehensive income unless specifically designated as fair value through profit or loss. Marechale has unlisted equities for which changes in fair value have been recognised through the Profit and Loss Account. Marechale hold Warrants, which are derivatives. As such any changes in fair value have been recognised entirely through profit or loss.

IFRS 15 (new standard) "Revenue Recognition" Effective 1 Jan 2018

As a result of the adoption of IFRS 15 the directors have considered the impact on the financial statements of the new standard. IFRS 15 requires companies to depict the transfer of promised goods or services to the client at an amount which reflects the consideration they expect to be entitled to in exchange for those goods or services.

As Marechale's income is mainly derived from singular transactions where income is recognised at a point in time, rather than over time, this standard has not affected the recognition of revenues in the year.

New accounting standards and interpretations not yet adopted

The following IFRS standards and interpretations, have not come into effect during the year but have been considered for their impact from their implementation on their effective date as follows:

IFRS 16 (new standard) "Leases" Effective 1 Jan 2019

IFRS 16 will result in Marechale bringing onto the balance sheet any lease agreements it has entered into. Marechale's premises constitute an identified asset for which a lease agreement is in place and where it will have control over the asset as it has both the right to use and to obtain economic benefits from its use.

The directors do not anticipate that the adoption of this standard in future reporting periods will have a material impact on Marechale's financial performance.

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2019

4. Business and geographical segments
The directors consider that there is only one activity undertaken by the Group, that of corporate finance advisory. All of this activity was undertaken in the United Kingdom.

	2019 (£)	2018 (£)
Broking commissions and fees earned from corporate finance	511,691	674,756

5. Operating loss for the year has been arrived at after charging:

	2019 (£)	2018 (£)
Operating lease rentals	62,882	66,455
Staff costs (Note 9)	464,244	454,097
Auditors' remuneration for audit services	9,900	9,900

Amounts payable to UHY Hacker Young by the Group in respect of non-audit services were:

		2019	2018
Auditors' remuneration:	- for non audit taxation	1,500	2,025
	- for non audit FCA compliance	1,000	1,000

Share-based payments:

During the year the Company had the following share-based payment plans involving equity settled share options in existence:

Scheme	Number	Date approved	Exercise price	Maximum term	Vesting conditions
Nov-18	5,768,115	04-Oct-18	1.12p	5 years from vesting	1/3rd/year on anniversary date when beneficiary must remain employed.

The number and weighted average exercise prices ('WAEP') of the above plans are as follows:

	2019 Number	2019 'WAEP	2018 Number	2018 'WAEP
Outstanding at start of the financial period	-		12,113,042	2.58p
Granted during the period	5,768,115	1.12p	-	
Forfeited within the period	-		(12,113,042)	-2.58p
Outstanding and exercisable at end of the financial period	5,768,115	1.12p	-	

The options granted in November 2018 generated a charge of £11,939; those forfeited in April 2018 generated a credit of £84,453. In accordance with the requirements of IFRS 2 Share-based payments, the weighted average estimated fair value for the options granted was calculated as 1p per option using a Black Scholes option pricing model. The volatility measured as the standard deviation of expected share price return is based on statistical analysis of the share price for the twelve months prior to the dates of grant.
The risk free rate has been taken as 4%.

For the purpose of calculating diluted earnings per share, see Note 10 below, 2018's options have been forfeited, accordingly there are no dilutive instruments to include. For 2019's calculation, the options are currently 'under water' and highly unlikely to be exercised, therefore no dilution is anticipated.

6. Finance Income

	2019 (£)	2018 (£)
Bank interest receivable	45	113
Other interest paid	(194)	(134)
Net Finance (Expense)/Income	(149)	(21)

7. Other gains and losses

	2019	2018
Realised gains on equity investments	21,743	-
Unrealised losses on equity investments	(30,100)	-
Unrealised loss on warrants	-	(118,500)
	(8,357)	(118,500)

8. Tax

	2019 (£)	2018 (£)
The tax charge comprises:		
Mainstream UK corporation tax deriving from profits for the prior financial year	-	-
Total current tax	-	-
Deferred tax		
Charge in respect of timing differences	-	-
Total deferred tax	-	-
Total tax on (loss) from ordinary activities	-	-

The tax charge for the period differs from that resulting from applying the standard rate of UK Corporation Tax.

Tax of 19% (2018: 19%) to the loss before tax for the reasons set out in the reconciliations below:

	2019 (£)	2018 (£)
(Loss) per financial information	(298,017)	(198,448)
Unrealised losses/ (gains) on warrants	-	118,500
Disallowed items	18,478	(68,409)
Losses carried forward/ (used)	279,540	148,357
Taxable profit	-	-
Tax at 19% (2018: 19%)	-	-
Tax expense for the period	-	-

The Group had trading losses available to carry forward at 30 April 2019 of approximately £3.5m (2018: £3.3m). No deferred tax has been recognised in respect of the accumulated loss as there was insufficient evidence available as to the timing of any future recovery.

9. Staff costs

	2019 (£)	2018 (£)
Continuing operations		
Wages and salaries	378,500	403,500
Social security costs	45,944	50,597
Severance payments	39,800	-
	464,244	454,097

Directors' emoluments

	2019 (£)	2018 (£)
The emoluments of the highest paid Director were:	180,000	205,000
The aggregate Directors' remuneration was:	373,300	363,500

The Group does not operate any form of pension scheme.

Average number of employees for continuing operations:	Number	Number
Executive and Non-Executive Directors	4	4
Staff	2	2
	6	6

10. Earnings per share

	Earnings (£)	Earnings (£)
Based on a loss of	(298,017)	(198,448)
	No. shares	**No. shares**
Weighted average number of Ordinary Shares in issue for the purpose of basic earnings per share	57,681,151	57,681,151
Weighted average number of Ordinary Shares in issue for the purpose of diluted earnings per share - see also Note 5	57,681,151	57,681,151

11. Investments

	(£)
Cost	
At 1 April 2017	287,861
Additions	-
At 30 April 2018	287,861
Additions	-
At 30 April 2019	287,861
Provision for impairment	
At 1 April 2017	287,353
Provision in the year	-
At 30 April 2018	287,353
Provision in the year	-
At 30 April 2019	287,353
Net book value at 1 April 2017	**508**
Net book value at 30 April 2018	**508**
Net book value at 30 April 2019	**508**

The Company's directly held subsidiary undertaking as at 30 April 2019 was:

Subsidiary undertaking	*Principal Activity*	*Country of Incorporation*	*Percentage of ordinary share capital held*
Marechale Limited	Dormant	England	100%
Associate Company			
Northfield UK Solar Ltd - in Liquidation (February 2019) ('NUKS')	Solar development	England	25.2%

11a. Investment in associate

The Group had a 25.2% (2018: 25.2%) interest in NUKS which is involved in the development, prior to construction, of solar PV sites in the UK. NUKS was establshed in June 2013 and is a private entity not listed on any public exchange. The Group's interest in NUKS was accounted for using the equity method in the consolidated financial statements. The following table illustrates the summarised financial information of the Group's investment:

	2019 (£)	**2018 (£)**
Current assets	53,936	599,471
Current liabilities	(5,000)	(903)
Net Assets	**48,936**	**598,568**
Share capital	**2,009**	2,009
Share premium	**1,221,467**	1,221,467
Reserves	**(1,174,540)**	(624,907)
Shareholders' funds	**48,936**	**598,568**
Proportion of the Group's ownership	25.20%	25.20%
Carrying amount of the investment (before provision for loss on project)	**12,330**	**150,838**
Provision for loss on project - see Note 11c	0	(136,800)
Carrying amount of the investment	**12,330**	**14,038**

£10,081 was received from the Liquidator in May 2019 as an Interim Dividend.

11b. Net profit/ (loss) in respect of associate

	2019 (£)	2018 (£)
Revenue	-	-
Cost of sales - see Note 11c	-	-
Administrative expenses (2019: including cost of Liquidator)	(6,002)	(14,082)
(Loss)/ profit before tax	(6,002)	(14,082)
Taxation	-	-
(Loss)/ profit for the year	**(6,002)**	**(14,082)**
Group's share of (loss)/profit for the year	(1,513)	(3,549)

11c. Provision for project loss in associate

NUKS had one development site remaining with a carrying value of £543,630 (2018: £544,000) which the Company has tried, and failed, several times to monetise, the uncertainty about the UK Government's feed-in subsidy made buyers very wary of commitment. In view of this uncertainty, Marechale Capital's Directors have determined to write down the investment to the Company's pro-rata share of the cash in NUKS Balance Sheet leading to a closing provision of £195 (2018: £59,600).

12. Investments under fair value through other comprehensive income	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Quoted investments	225	225	225	225
Unquoted investments	75,254	174,394	75,254	174,394
	75,479	174,619	75,479	174,619

Investments are initially valued at cost. At each reporting date these investments are measured at fair value with any gains or losses recognised through Profit and Loss Account.

13. Investments under fair value through profit and loss	2019 (£)	2018 (£)	2019 (£)	2018 (£)
Unquoted options and warrants	1,550	78,388	1,550	78,388
	1,550	78,388	1,550	78,388

Warrants which have been received as consideration for corporate finance services rendered have been valued at fair value where either the share price has been established according to most recent share sales, or the share price for current funds raised is materially higher than the exercise price of those options. Resultant gains or losses are recognised through profit and loss.

14. Trade and other receivables	Group 2019 (£)	Group 2018 (£)	Company 2019 (£)	Company 2018 (£)
Trade receivables	66,375	70,322	66,375	70,322
Other receivables	20,314	112,566	20,314	112,566
Prepayments and accrued income	18,517	18,286	18,517	18,286
	105,206	201,174	105,206	201,174

All receivables are due within one year of the Balance Sheet date and at that date none are past due, or impaired.

The Directors consider that the carrying amounts of trade and other receivables approximates their fair values.

The Group does not normally have any significant concentration of credit risk, with exposure spread over a large number of counterparties and customers. Significant risk does occur at the conclusion of a large corporate finance and broking transaction, normally measured in a few days, in anticipation of the payment of the Group's fees and commissions. No such risk existed at the reporting date.

15. Cash and cash equivalents	2019 (£)	2018 (£)	2019 (£)	2018 (£)
Cash held directly at UK Clearing Banks	148,600	118,340	148,600	118,340
	148,600	118,340	148,600	118,340

16. Trade and other payables	Group 2019 (£)	Group 2018 (£)	Company 2019	Company 2018
Trade payables	58,483	65,745	58,483	65,745
Other payables and accruals	95,277	40,179	95,277	40,179
Taxes and social security	10,268	15,420	10,268	15,420
	164,028	121,344	164,028	121,344

17. Share capital

New Ordinary shares of 0.8p	Ordinary shares (number)	Issued share capital (£)	Share premium account (£)
Issued at 30 April 2017, Ordinary shares of 1p	**57,681,151**	576,812	1,247,379
Effect of Capital Reorganisation 28 June 2017 - see Note below:			
Reduction in nominal value/share of 0.2p		(115,363)	
Cancellation of the Share Premium Account			(1,247,379)
Issued at 30 April 2018 and 2019, Ordinary shares of 0.8p	**57,681,151**	**461,449**	**0**

Deferred shares of 1p	Deferred shares (number)	Issued share capital (£)	Share premium (£)
Issued at 30 April 2017, Ordinary shares of 1p	189,749,640	1,897,496	-
Effect of Capital Reorganisation 28 June 2017 - see Note below:			
Cancellation of Deferred Shares	(189,749,640)	(1,897,496)	
Issued at 30 April 2018 and 2019, Ordinary shares ol	**0**	**0**	-

Total nominal value of shares in issue, including Deferred Shares:

Issued at 30 April 2017, Ordinary shares of 1p	**2,474,308**	**1,247,379**
Issued at 30 April 2018 and 2019, Ordinary shares of 0.8p	**461,449**	-

On 28 June 2017, the High Court of Justice, Chancery Division, Companies Court, approved a capital reorganisation:
1. Cancellation of 0.2p per share of the ordinary shares, previously of 1p nominal value
2. Cancellation of the Deferred Shares
3. Cancellation of the Share Premium Account.

18. Operating leases

At the reporting dates, the Group and Company had outstanding commitments for future minimum lease payments under non-cancellable operating leases in relation to Leasehold Property, and Other Assets, which fall due as follows:

	2019 (£)	2018 (£)
Leasehold Property		
Within one year	31,600	73,080
	31,600	73,080
Other Assets		
Within one year	1,700	1,700
In the second to fifth year (inclusive)	850	2,550
	2,550	4,250

19.1 Capital Risk Management

The Group is not reliant on debt finance, its operations currently being funded by equity finance (comprising share capital, share premium, other reserves, and retained losses) which totalled £196,600 (2018: £465,000) at year end. The Group regularly monitors its capital needs to ensure that sufficient funding is available for its operational needs.

As an FCA regulated business (which does not hold client money or assets), the Group has to ensure that it maintains minimum regulatory capital of €50,000 (£44,000), which it met at 30 April 2019 and 2018.

19.2 Financial Risk Management

Financial Risks
The main risk arising from the Group's financial instruments, referred to in Note 2c above, is the financial performance of the companies in whom the Company holds investments, as reflected by quoted market prices, or by the share price ol fundraising in the case of unquoted investments.

Interest Risk
The Group had neither a bank overdraft nor other borrowings and therefore was not subject to this risk.

Liquidity Risk
The Group anticipates a modest cash-flow surplus in year ended 30 April 2020: nonetheless, at 30 April 2019, the Group held cash reserves equivalent to approximately three months' overheads.

Credit Risk
The Group's principal financial assets are bank balances, and trade receivables. The credit risk on liquid funds is limited because the counterparty is a bank with a high credit rating assigned by international credit rating agencies. The maximum credit risk on trade receivables at the balance sheet date is represented by the trade receivables figure, which is net of appropriate provisions.

20. Related party transactions

Companies in whom the Group holds (or held) an investment which have paid fees to, or charged the Group for, services.

West Country Renewable Ltd ('WCR')
The Group owned 70,000 shares, 8.3% (2018: 70,000, 8.3 %) in WCR at 30 April 2019, WCR is a related party through common directorship of Patrick Booth-Clibborn, a director of the Group.
The Group charged WCR £nil for other services during the period ended 30 April 2019 (2018: £nil)
At 30 April 2019 WCR owed the Group £nil (2018: £nil)
The investment in WCR was sold in two tranches for £73,000; subject to various performance criteria being met, the Company will receive further consideration of £19,300 being the release of warranties, such consideration will be accounted for on a cash basis.

Northfield UK Solar Ltd in liquidation (March 2019) ('NUKS')
The Group owned 506,250 shares, 25.2% (2018: 25.2%) in NUKS at 30 April 2018, NUKS is a related party through common directorship of Mark Warde-Norbury, a director of the Group.
The Group charged NUKS £nil for other services during the period ended 30 April 2019 (2018: £7,800).
At 30 April 2019 NUKS owed the Group £nil (2018: £nil).
On 12 February 2019, NUKS was placed in Members' Voluntary Liquidation; a first interim dividend was received from the Liquidator in May 2019.

Directors

Mark Warde-Norbury
During the year, loans of £10,000 (2018: £10,000) were granted to Mr Warde-Norbury which are repayable within one year. The loan was repaid in April 2019.

Patrick Booth-Clibborn
During the year, loans of £10,000 (2018: £10,000) were granted to Mr Booth-Clibborn which are repayable within one year and are included within trade and other receivables on the balance sheet.
During the year, a liability to Mr Booth-Clibborn of £9,750 was established for payment of commission relating to the period prior to 2009 when he joined the Company, and is included in other payables and accruals on the balance sheet.

Disclosure of control

The company is under the control of its shareholders and not any one party.

Key management personnel

The key management personnel consist of the Directors, whose remuneration is disclosed in the Directors' Report, and the Company Secretary/Financial Officer, Shand FD Ltd ('Shand') whose remuneration was £21,487 in 2019 (2018: £24,259).
The group owed Shand £1,715 at 30 April 2019 (2018: £2,195).