



MARECHALE CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2024

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34thbury Group, Lexington, London E11 6JA and at www.barnesroffe.com

MARECHALE CAPITAL PLC**COMPANY INFORMATION**

Directors	Mark Warde-Norbury (Chairman) Patrick Booth-Cibborn (Chief Executive) Chns Kenning (Non Executive) – appointed 1 August 2024
Secretary	Richard Shand
Company number	03515836 (England and Wales)
Registered office (and business address)	46 New Broad Street London EC2M 1JH
Auditors	Barnes Roffe LLP 3 Brook Business Centre Cowley Hill Road Uxbridge UB8 2FX
Bankers	Barclays Bank Plc PO Box 3261 Ashton House 497 Silbury Boulevard Milton Keynes BX3 2BB
Nominated adviser and broker	Cairn Financial Advisers LLP Ninth Floor, 107 Cheapside London EC2V 6DN
Registrars	SLC Registrars 40-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Solicitors	Pinsent Masons LLP 30 Crown Place Fart Street London EC2A 4ES
Website	www.marechalecapital.com

MARECHALE CAPITAL PLC
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MARECHALE CAPITAL PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 APRIL 2024

Marechale Capital plc
("Marechale" or the "Company")

Financial Statements for the year ended 30 April 2024

Marechale Capital plc, an established City of London based corporate finance house with a long-term track record and a strong reputation for advising and financing high growth consumer brands, leisure, clean energy and technology companies in the UK and Europe, is pleased to announce its audited final results for the year ended 30 April 2024 (the "Period"). Marechale also uses its Balance Sheet to co-invest in its client companies, along with warrants and founder equity, in order to create shareholder value.

As reported in the interim results statement in December 2023, it has been a challenging year generally and in the hospitality sector in particular, as a number of businesses negotiated a continuing period of market uncertainty with increased inflation driven overheads, compounded by a squeeze in discretionary spending. However, against this challenging backdrop, there are significant market opportunities for Marechale's clients.

The Company entered the Period with good levels of business activity and funded clients in both the hospitality sector, as well as clients in other high growth sectors. Completed projects include further equity funding for the European telecommunications technology company, Fast2Fibre Chestnut Group, the leading East Anglian Inn Group, and for Brewhouse & Kitchen, the expanding gastro pub business. Also, additional funding has been raised for The Forest Road Brewing Company, the award-winning London craft brewer, as well as a further equity round for Weardale Lithium at a premium valuation.

Marechale continues to generate professional services income by providing advice to its clients. In the last year this included strategic and funding advice for the Chestnut Group and Brewhouse & Kitchen.

In the clean energy space, general market uncertainty has impacted some of our corporate clients whose progress has been delayed and resulted in some investor exits being postponed.

However, significant progress continues to be made with the lithium extraction business Weardale Lithium Ltd, and our pipeline of new and increasingly diversified projects remains robust.

Weardale Lithium Ltd is Marechale's largest investment, comprising 500,000 founder shares and 20,800 options with a combined value of £3.0 million which has been recorded in the Balance Sheet. Weardale has proved lithium reserves in its secured mineral rights in Co. Durham and has submitted a planning application to build a pilot plant to utilise its existing boreholes. Marechale remains optimistic for a positive future outcome on this investment. Despite some individual write-downs on investments, the overall total value of our Balance Sheet Investments, comprising equity and warrants in client companies, has strengthened. The total value of the Balance Sheet has increased to £3,346,000 in 2024 (2023: £3,227,000). This increase reflects our strategic investment decisions and the underlying strength of our asset base.

MARECHALE CAPITAL PLC
CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Please note that, within the rules of the Accounting Standards, the Board has taken the decision to declare separately as 'Exceptional Costs' various impairment provisions for bad debts and loan notes owed by two Investee Companies. Please be advised that at the time of writing, these companies remain trading but under severe financial distress. We expect both companies to be refinanced in the near future, in which case the impairment provisions will be credited back to the P&L in 2024-25.

It is also worth noting that the Company has £770,000 of unused capital tax losses to offset against any possible future tax liability on realisation of gains.

Marechale's revenue for the year saw a substantial increase to £668,816, compared to £376,000 in the previous financial year. This growth of nearly 78% is a testament to the robust strategies the Company has implemented and the hard work of our dedicated team. However, commissions paid to 3rd parties involved in transactions increased by 81%.

While we continue to navigate through various market challenges, I am pleased to report a significant reduction in Marechale's operating loss for the year, from £372,000 in 2023 to £296,000 this year. Marechale's net loss before tax for the year stands at £183,000, a notable improvement from the net loss of £426,000 reported in 2023. And, although gross profit margin decreased from 32% to 30%, administrative expenses remained steady at £494,000 (2023: £488,000). This reduction in net loss demonstrates ongoing efforts to enhance operational efficiencies and control costs.

The Company's focus is to use its reputation and deal flow as a corporate finance adviser to build shareholder value in Marechale's balance sheet. This has been achieved by negotiating equity and warrant positions, and joint venture arrangements as part of its terms of engagement with growth company clients. Marechale's historical investment performance has been excellent in this regard, having achieved double digit internal rates of return across all the companies that it has funded since 2010. The Board are confident that the investments in Weardale Lithium, Burgh Island, Chestnut Group, Fast2Fibre and Forest Road Brewery, amongst others, will deliver uplifts in value in due course.

I would like to take this opportunity to express our profound gratitude to Lord Flight, who has stepped down from the Board after many years of dedicated service. His invaluable contributions and guidance have been much appreciated, and we wish him all the best in his future.

At the same time, we are delighted to welcome Chris Kenning as our new Non-Executive Director. Chris brings a wealth of experience and expertise to the Board. He has a distinguished background in finance and business development, having held senior positions in several prominent firms. Chris is already a significant shareholder in our Company, and we are confident that his insights and strategic acumen will be highly beneficial as we continue to drive the Company forward. Since Chris acquired his shareholding in Marechale, we have been working with him on a number of corporate finance projects with his business Stubben Edge, and we continue to explore how we can digitalise our transaction processes for our earlier stage corporate finance projects.

MARECHALE CAPITAL PLC
CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Whilst the current economic climate remains challenging, the Board remains positive about the investments that it holds in its client companies, and optimistic that the Company, with its sufficient cash reserves, will continue to generate further uplifts on its current and future equity and warrant investments, both in the short and longer term. The Company continues to develop further its proven track record as a corporate finance adviser by seeking further deal flow in the high growth £10-50 million Enterprise Value PE sector.

As we look to the future, the Board remains committed to building on this year's positive momentum. The Company will continue to focus on enhancing revenue stream and delivering value to shareholders.

In closing, I would like to extend my heartfelt thanks to shareholders, employees, and clients for their continued support and confidence in the Company. The Board looks forward to another year of progress and achievement.



Mark Warde-Norbury
Chairman
19 August 2024

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 APRIL 2024

Companies traded on AIM are not required to adopt the UK Governance Code, and instead may choose to adopt an alternative code including 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, the entire team meets every Monday morning by Zoom to discuss client-facing projects and to manage the demands of a PLC, lines of communication are kept short. With the exception of the CEA, all the staff are 'seasoned professionals' in their fields, the average age being more than 60 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 process.

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 committee 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.

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Remuneration Committee

The Remuneration Committee comprises the Non-Executive Director and the Chairman and meets at least once a year. The Committee provides an 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 Company's internal control environment;
- assessing the Company's financial risks;
- reviewing the Company'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 Company's system of internal control enables them to report financial information with reasonable accuracy and safeguard the assets of the Company. 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.

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Organisational Structure

The Company'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 Company. 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 Company. The Company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however as at the year end the Company had £248k of cash reserves (2023: £283k) which as at that date equated to approximately 7 months of cash overheads. Whilst the Company generated operating losses of £296k in the financial year (2023: £372k) the Directors remain confident that the project pipeline will generate sufficient income on top of the cash reserves in order to meet the Company's liabilities for a period of not less than 12 months from the date of approval of these financial statements. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investments and/or warrants and deferral of Directors' salaries.

Valuation of investments including options

The Directors have considered the fair value adjustment made on the investments held at fair value through profit or loss. As discussed in Note 12, in 2024 the Company had £5,402 realised losses and £250,000 unrealised gains, offset by a £71,500 impairment provision (2023: £18,075 realised losses and £17,536 unrealised losses). As discussed in Note 13, in 2024 the Company had unrealised losses of £21,594 (2023 unrealised losses of £16,513).

This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and reliable information such as recent fundraising. There is however inherent uncertainty when valuing private companies such as these in the natural resources sector.

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Dialogue with Shareholders

The Company 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 Company 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 a General Meeting of which notice will be sent to Shareholders and at which the Directors are available to answer questions.

Employees

The Company 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



Patrick Booth-Clibborn
Director
19 August 2024

MARECHALE CAPITAL PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2023

Principal Activity

The Company provides advice and broking services to companies.

Review of the Business

Please see the Chairman's Statement.

Position at 30 April 2024

The Balance Sheet at 30 April 2023 is set out on page 22.

The upward movement in Equity Investments consists of a £250,000 upward fair value adjustment and £6,572 new investments, offset by a £71,500 negative fair value adjustment, £2,625 proceeds from realisations and £5,441 realised losses.

The negative movement in Warrants consists of a £10,411 upward fair value adjustment offset by a £32,005 downward fair value adjustment.

Trade and other receivables have decreased by £40,000 reflecting impairment provisions.

Cash and cash equivalents have decreased by £35,000 (2023: decreased, £131,000) as more fully described in the Cash Flow Statement.

Net assets at 30 April 2024 stood at £3.35m compared to £3.25m at 30 April 2023, as a result of losses offset by £238,000 new equity as more fully explained in the Statement of Changes in Equity.

Future Developments

The Company has succeeded in developing a low-cost investment banking and corporate finance business whose remit is set to continue, more fully described in the Chairman's Statement.

Principal Risks and Uncertainties

In normal times the principal risk and uncertainty faced by the Company are if it fails to attract new clients and execute fund-raising corporate finance projects leading to lower revenues and a net Operating Loss. Given the Company's specialism in the hospitality sector, there remain uncertainties and macro-economic risks associated with the 'Cost of Living Crisis'. The Company's cost base is so small that actions to mitigate against lower revenues, e.g. reducing staff numbers, are simply not feasible.

Approved for Issue

MARECHALE CAPITAL PLC
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

S172(1) Statement

The Board of Directors, in line with their duties under s172 of the Companies Act 2006, acts in a way that they consider, in good faith, would be most likely to promote the success of the Company for the benefit of its members as a whole, and in doing so have regard to a range of matters when making decisions for the long term. Key decisions and matters that are of strategic importance to the Company are appropriately informed by s172 factors and the Directors consider, both individually and collectively, that they have taken these factors into account when exercising their duty to promote the success of the Company during the year.

The Board have identified the following Key Stakeholders:

- Employees, Associates, Suppliers, Professional Advisers, and Independent Financial Advisers ('IFA') who as a group provide 'inputs' to Marechale Capital Plc ('Marechale')
- Investee Clients ('IC'), and Investors and IFA's who invest in IC's, who provide Marechale's 'outputs'
- Shareholders – Marechale's owners
- The London Stock Exchange and the Financial Conduct Authority – the regulatory authorities

Company inputs

The context in which Marechale operates and how that affects its employees and Associates is fully described in 'The Operation of Marechale Capital' in the 'Corporate Governance' section.

Marechale's only supplier of any significance is the Company's landlord from whom a very small office is rented, other suppliers largely consist of utilities and office-related supplies.

Professional Advisers fall into two groups: 'retained' in order to assist with regulatory matters, e.g. the Auditors, the NOMAD and the Registrar, and 'project driven' advisers engaged to assist with the delivery of a particular client engagement.

Marechale raises funds for its investee clients both directly from investors and other financial institutions, and indirectly through IFA's and other intermediaries, both of the latter in this case as a 'supplier of funds' to whom Marechale pays commissions.

Critical to the well-being of the above in their relationship with Marechale is that the Company should continue to run a profitable, cash-generative, operation. Critical to those ends was, and remains, the Company's ability to attract investors and raise funds for investee clients, and to attract new clients.

In parallel with the fund-raising side of Marechale, it often will take a stake in an investee company. In 2024 two modest investments were made amounting to £6,572 in aggregate (2023: £nil).

MARECHALE CAPITAL PLC
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

S172(1) Statement (continued)

Company outputs -

The Company raises funds from individuals and/or institutions, such relationships being both complex and strongly influenced by matters of timing. 'Complex' because of each investor's own track-record with Marechale and in a particular sector, added to which each investor will have his own personal needs. 'Timing' is important because of each investor's capacity and/or appetite to invest, over which Marechale has little or no control. Two painful examples of the latter are the effects of 'Brexit', and of Covid 19, have had on the investment community where 'uncertainty' results in non-investment.

Shareholders -

The three Directors, in aggregate, own 29.7% of Marechale's shares, plus Options over a further 11.5%, therefore their interests are closely aligned with all other shareholders. There are two shareholders who hold >3% of the share capital are noted in the Directors' Report below. Outside of those previously mentioned, there are 100 registered shareholders, many of them as Nominees, who in turn represent many investors.

The Board are acutely aware of their responsibilities towards their shareholders and the need to communicate regularly. However, the Board is equally aware that the Company's shares may be classed as a 'penny share' and, along with illiquidity in the market, small absolute movements in the share price can be measured in significant percentage gains (or losses). Before the current age in which Social Media plays such an important part, penny shares were often subject to unwarranted speculative buying or selling which has been heightened by Social Media.

The Board maintains close contact with the Company's 'Nominated Adviser' to ensure that any regulatory information is announced; regrettably it is beyond the Board's powers to avert speculation.

The Regulatory Authorities -

The Company is regulated by the London Stock Exchange and the Financial Conduct Authority and the Board has determined that it will at all times comply with the regulations governing it from its own resources and through professional advisers. The Board is also determined to maintain the highest standards of professional conduct.

The effect on the community and the environment -

Marechale's role is that of an 'intermediary' between investors and investee companies and therefore has little direct impact on either the community or the environment; however, Marechale does have the ability to influence the parties involved by exercising the very highest standards of integrity and social responsibility. In the highly unusual circumstances where a client failed to meet these standards, it would be at Marechale's discretion as to whether it continued that relationship.

Patrick Booth-Clibborn

Director. 19 August 2024



MARECHALE CAPITAL PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2024

The Directors present their report together with the audited financial statements of the Company for the year ended 30 April 2024

Results

As more fully described on page 24, the Company achieved a loss of £183,000 (2023 Loss £426,000)

Dividends

The Directors do not recommend the payment of a dividend for the current year (2023 £nil)

Key Performance Indicators

- 1 To achieve sufficient revenue to deliver an Operating Profit which was frustrated a general loss of confidence in the market and therefore not achieved. Operating loss for the year ended 30 April 2024 was £296,000 (2023 loss £372,000).
- 2 To deliver a Profit before tax which was not achieved. Loss before tax for the year ended 30 April 2024 was £183,000 (2023 loss before tax of £426,000)
- 3 To increase the pipeline of existing and new clients leading to more deals closed. Neither were achieved, see the comment at No 1

Directors

The Directors who held office since 1 May 2023 were

Mark Warde-Norbury (Chairman)
Lord Flight of Worcester (Non-Executive) – resigned 16 November 2023
Patrick Booth-Clibborn (Chief Executive)

On 1 August 2024, Chris Kenning was appointed a Non Executive Director

Directors' Interests

[The Directors' interests in the shares and options of the Company were as stated below.]

New Ordinary shares of 0.8p each	At 30 April 2024	At 30 April 2023
Mark Warde-Norbury	11,282,902-10.7%	11,282,902-10.7%
Patrick Booth-Clibborn	9,659,086 – 9.1%	9,659,086– 9.1%
Chris Kenning	10,480,000 – 9.9%	10,480,000 – 9.9%

MARECHALE CAPITAL PLC
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024

Options on 0.8p Ordinary Shares	At 30 April 2024	At 30 April 2023
Mark Warde-Norbury	1,315,217 – 1.42%	1,315,217 – 1.2%
Patrick Booth-Clibborn	10,900,859 -10.3%	10,900,859 -10.3%
Chris Kenning	0	0

The remuneration of the Directors was as follows:

	30 April 2024 £	30 April 2023 £
Mark Warde-Norbury	30,000	30,000
Patrick Booth-Clibborn	180,000	180,000
Chris Kenning	0	0

Options approved at AGM's but not yet granted

Options over 3.1% of the Company's share capital were approved but have not yet been granted.

Substantial Shareholders

As at 1 August 2024 (being the last practical date prior to the date of this document) and save as set out below, the Company 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 Company (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 Company):

3% or more shareholders (excluding Directors)	No. shares	%
Mr B. Reynolds	10,097,159	9.5%
Mr L. Johnson	8,000,000	7.6%

**MARECHALE CAPITAL PLC
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2024**

Directors' Responsibilities

The Directors are responsible for preparing the financial statements in accordance with applicable law and International Financial Reporting Standards, as adopted by the United Kingdom

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 Company and of the profit or loss of the Company 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 that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the 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 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.

MIFIDPRU Public disclosure

In accordance with MIFIDPRU 8 of the FCA's Handbook, the Company has prepared information on its risk management objectives and policies, governance arrangements, own funds requirements and

remuneration policy and practices. This information is available on the Company's website.

Post balance sheet events

There are no post balance sheet events to report

Auditors

In accordance with section 485 of the Companies Act 2006, a resolution proposing that Barnes Roffe LLP be reappointed as auditors of the Company will be put to the Annual General Meeting.

On behalf of the Board



Patrick Booth-Clifton

Director

19 August 2024



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

Opinion

We have audited the financial statements of Marechale Capital PLC (the 'Company') for the year ended 30 April 2024 which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements

- give a true and fair view of the state of the Company's affairs as at 30 April 2024 and of the loss for the year then ended,
• have been properly prepared in accordance with UK adopted International Accounting Standards, 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.

Conclusions relating to Going concern

In auditing the financial statements, we have concluded that the director's use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

The Company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however, as at the reporting date the Company had £248k of cash reserves (2023: £283k) which as at that date equated to approximately 7 months of overheads. Whilst the Company generated operating losses of £296k in the financial year (2023: £372k), the directors remain confident that the project pipeline will generate sufficient income in excess of the cash reserves in order to meet the Company's liabilities as they fall for a period of not less than twelve months from the date of approval of these financial statements. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investment and/or warrants and deferral of directors' salaries.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors

Barnes Roffe LLP T 01895 256423
3 Brook Business Centre
Cowley Hill Road W barnesroffe.com
Uxbridge
Middlesex UB8 2FX

The directors are responsible for the preparation and fair presentation of the financial statements in accordance with applicable law and UK adopted International Accounting Standards. They are also responsible for the going concern assessment. The directors have also provided us with the information and explanations we have required in order to complete our audit.



Summary of our audit approach

Key audit matters	<ul style="list-style-type: none"> • Revenue recognition • Investment valuation
Materiality	<ul style="list-style-type: none"> • Overall materiality: £32,000 (2023: £23,350) • Performance materiality: £24,000 (2023: £17,500)
Scope	Our audit procedures covered 100% of revenue, 100% of total assets and 100% of loss before tax.

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.

Key Audit Matter	How the scope of our audit addressed the key audit matter
<p>Revenue recognition</p> <p>Under IFRS 15, Revenue from Contracts with Customers, the Company shall recognise revenue to depict the services to customers in an amount that reflects consideration to which the entity expects to be entitled to in exchange for the services.</p> <p>The revenue stream is primarily derived from advisory services paid via a retainer for ongoing advice and success fees on the successful fund raising. Both are significant to the financial statements and an error in the calculation of the recognition criteria would likely lead to a material error.</p> <p>We consider that there is a risk that revenue is recognised on an inappropriate basis, meaning incorrect calculations of income being made.</p>	<p>Our audit procedures included, but were not restricted to:</p> <ul style="list-style-type: none"> • Selecting a sample of revenue transactions to test substantively for occurrence. This included reviewing the completion of each engagement tested and assessing whether the correct amount of revenue had been recognised and whether it was recognised within the correct period. • Reviewing cut off procedures around the year end to gain comfort that the revenue was recognised in the correct period. • Assessing whether the treatment of revenue was in accordance with the recognition criteria as per the Company's accounting policies. • Assessing whether the Company's accounting policies for revenue recognition are in accordance with the requirements of IFRS 15. <p>Key observations:</p> <p>We did not identify any material errors or instances of fraud from the testing performed and are therefore satisfied that we have assurance over revenue recognition and cut off around the year end.</p>

<p>Valuation of the investments held at fair value through profit or loss</p> <p>IFRS 9, Financial Instruments, provides a principles-based two-step approach to classifying such financial assets and under the Company's accounting policy are carried at fair value through profit or loss</p> <p>The fair value of these financial assets inherently involves more significant management judgement as they are primarily in private companies, often at an early stage of development and are typically illiquid. There is naturally uncertainty around the valuation of these investments at the balance sheet date and management has undertaken an assessment of the fair value in consideration of this uncertainty</p> <p>Accordingly, there is a risk of incorrect valuation of Financial Instruments held by the Company</p>	<p>Our audit procedures included, but were not restricted to</p> <ul style="list-style-type: none"> • Obtaining a full list of equity instruments and warrants held by the Company and agreeing a sample to supporting documentation to provide evidence of ownership. • Reviewing the Director's assessment of the fair value of equity instruments and warrants on a sample basis and agreeing the assessments to supporting documents showing value of those investments • Considering the approach to valuing the investments, assessing whether the method chosen was appropriate in the circumstances. • Agreeing the arithmetical accuracy of fair value adjustments and the accounting for such adjustments <p>Key observations:</p> <p>The underlying valuations are inherently uncertain due to the nature of valuing private companies. In the year, the Company has revalued both equity investments and warrants based on the evidence available to them, primarily based on recent transaction prices</p> <p>The most significant investment held is in Weardale Lithium Limited at £3.0m. The valuations are based upon latest fund raising valuation. Whilst this approach is considered reasonable in the circumstances, it requires significant judgement and is inherently uncertain.</p>
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Our application of materiality

When establishing our overall audit strategy, we set certain thresholds which help us to determine the nature, timing and extent of our audit procedures. When evaluating whether the effects of misstatements, both individually and on the financial statements as a whole, could reasonably influence the economic decisions of the users we take into account the qualitative nature and the size of the misstatements. Based on our professional judgement, we determined materiality as follows:

	The Company
Overall materiality	£32,000 (2023: £23,350)
Basis for determining overall materiality	1% of total assets



Rationale for benchmark applied	We believe that total assets is an appropriate benchmark for our materiality due to the fact that the entity completes 6 deals on average per year which may lead to significant fluctuations in turnover year on year, hence, we consider total assets as a more stable benchmark.
Performance materiality	£24,000 (2023: £17,500)
Basis for determining performance materiality	75% of overall materiality
Reporting of misstatements to the Audit Committee	Misstatements in excess of £1,600 and misstatements below that threshold that, in our view, warranted reporting on qualitative grounds.

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 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, 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 directors' responsibilities statement, 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

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

The extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities are instances of non-compliance with laws and regulations. The objectives of our audit are to obtain sufficient appropriate audit evidence regarding compliance with laws and regulations that have a direct effect on the determination of material amounts and disclosures in the financial statements, to perform audit procedures to help identify instances of non-compliance with other laws and regulations that may have a material effect on the financial statements, and to respond appropriately to identified or suspected non-compliance with laws and regulations identified during the audit

In relation to fraud, the objectives of our audit are to identify and assess the risk of material misstatement of the financial statements due to fraud, to obtain sufficient appropriate audit evidence regarding the assessed risks of material misstatement due to fraud through designing and implementing appropriate responses and to respond appropriately to fraud or suspected fraud identified during the audit.

However, it is the primary responsibility of management, with the oversight of those charged with governance, to ensure that the entity's operations are conducted in accordance with the provisions of laws and regulations and for the prevention and detection of fraud.



In identifying and assessing risks of material misstatement in respect of irregularities, including fraud, the engagement team:

- obtained an understanding of the nature of the industry and sector, including the legal and regulatory framework that the Company operate in and how the Company is complying with the legal and regulatory framework;
- inquired of management, and those charged with governance, about their own identification and assessment of the risks of irregularities, including any known actual, suspected, or alleged instances of fraud; and
- discussed matters about non-compliance with laws and regulations and how fraud might occur including assessment of how and where the financial statements may be susceptible to fraud.

The most significant laws and regulations were determined as follows:

Legislation / Regulation	Additional audit procedures performed by the audit engagement team included:
UK-adopted IAS FCA regulations	Review of the financial statement disclosures and testing to supporting documentation; Review of correspondence with the Financial Conduct Authority; Review of board minutes and management accounts; and Completion of disclosure checklists to identify areas of non-compliance.
Tax compliance regulations	Inspection of advice received from external tax advisors.

The areas that we identified as being susceptible to material misstatement due to fraud were:

Risk	Audit procedures performed by the audit engagement team:
Revenue recognition (cut-off)	For a sample of engagements, recalculating the revenue recognised, based upon the terms of the underlying engagement letters and invoices; and For samples of revenue transactions, in the identified cut-off periods, verifying that revenue has been recognised in the correct period.
Management override of controls	Testing the appropriateness of journal entries and other adjustments; Assessing whether the judgements made in making accounting estimates are indicative of a potential bias; and Evaluating the business rationale of any significant transactions that are unusual or outside the normal course of business.



A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: <http://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.

A handwritten signature in black ink that reads 'Barnes Roffe LLP'.

Elliot Arwas (Senior Statutory Auditor)
For and on behalf of Barnes Roffe LLP
Chartered Accountants & Statutory Auditors
3 Brook Business Centre
Cowley Mill Road
Uxbridge
UB8 2FX

Date: 19 August 2024

Marechale Capital Plc
Income Statement
Year ended 30 April 2024

	Notes	Year ended 30-Apr 2024 (£)	Year ended 30-Apr 2023 (£)	
Continuing operations				
Revenue	4	668,816	375,726	
Cost of sales		(471,433)	(260,581)	
Gross profit		<u>197,384</u>	<u>115,145</u>	
Administrative expenses		(493,643)	(487,626)	
Operating loss	5	<u>(296,260)</u>	<u>(372,481)</u>	
Bank interest paid (net)		(428)	(912)	
Other gains/(losses)	6	223,004	(52,124)	
Exceptional costs	7	(109,303)	-	
(Loss)/profit before tax		<u>(182,987)</u>	<u>(425,516)</u>	
Taxation	8	-	-	
(Loss)/ profit for the year on continuing operations		<u>(182,987)</u>	<u>(425,516)</u>	
Earnings per share		(Pence)	(Pence)	
Basic	- Continuing operations	10	(0.18)	(0.45)
	- Diluted	10	(0.18)	(0.45)
Statement of Comprehensive Income				
(Loss)/ profit for the year on continuing operations		(182,987)	(425,516)	
Total recognised comprehensive profit (all attributable to owners of the company)		<u>(182,987)</u>	<u>(425,516)</u>	

Marechale Capital Plc
Balance Sheet
As at 30 April 2024

	Notes	Year ended 30-Apr 2024 (£)	Year ended 30-Apr 2023 (£)
Current assets			
Investment in subsidiary	11	2	2
Equity investments at fair value through profit and loss	12	3,039,659	2,862,653
Warrants at fair value through profit and loss	13	108,482	130,076
Trade and other receivables	14	34,590	75,933
Cash and cash equivalents	15	248,196	282,795
Total current assets		3,430,929	3,351,459
Total assets		3,430,929	3,351,459
Current liabilities			
Trade and other payables	16	(62,035)	(91,558)
Borrowings	17	(10,000)	(10,000)
Total current liabilities		(72,035)	(101,558)
Net current assets		3,358,895	3,249,902
Long-term liabilities			
Borrowings	17	(12,500)	(22,500)
Net assets		3,346,395	3,227,402
Equity			
<i>Capital and reserves attributable to equity shareholders</i>			
Share capital	18	847,530	763,690
Share premium	18	481,290	329,330
Reserve for own shares		(50,254)	(50,254)
Reserve for share based payments		150,168	83,988
Retained profits/(losses)		1,917,661	2,100,648
		3,346,395	3,227,402

The financial statements were approved by the Board of Directors and authorised for issue on 19 August 2024.
They were signed on its behalf by:

Patrick Booth-Clibborn
Director



Company No: 03515836

Marechale Capital Plc
Statement of Changes in Equity
Year ended 30 April 2024

	Share capital	Share premium	Reserve for own shares	Reserve for share based payments	Retained earnings
Balance at 30 April 2022	763,023	328,413	(50,254)	62,313	2,526,165
Total comprehensive income					
(Loss) for the financial year	-	-	-	-	(425,517)
Share based payments in the year	-	-	-	21,675	-
Issued in year	667	917	-	-	-
Total comprehensive income	667	917	-	21,675	(425,517)
Balance at 30 April 2023	763,690	329,330	(50,254)	83,988	2,100,648
Total comprehensive income					
(Loss) for the financial year	-	-	-	-	(182,987)
Share based payments in the year	-	-	-	66,180	-
Issued in year	83,840	151,960	-	-	-
Total comprehensive income	83,840	151,960	-	66,180	(182,987)
Balance at 30 April 2024	847,530	481,290	(50,254)	150,168	1,917,661

Marechale Capital Plc
Cash Flow Statement
Year ended 30 April 2024

	Year ended 30-Apr 2024 (£)	Year ended 30-Apr 2023 (£)
Net cash from operating activities		
(Loss)/profit before tax	(182,987)	(425,516)
Reverse provision for share based payments	66,180	21,676
Reverse losses/ (gains) on fair value investment through profit and loss	(228,406)	16,513
Reverse provision for exceptional costs	109,303	-
Reverse losses on disposal of investments	5,402	18,075
Reverse net interest expense	428	912
Operating cash outflows before movements in working capital	<u>(230,080)</u>	<u>(368,341)</u>
Movement in working capital		
(Increase)/decrease in receivables	3,539	(32,157)
Increase/(decrease) in payables	(29,523)	34,190
Tax paid	-	-
	<u>(25,983)</u>	<u>2,033</u>
Cash outflow from operating activities	<u>(256,063)</u>	<u>(366,308)</u>
Investment activities		
Interest received	272	-
Expenditure on equity investments	(6,572)	-
Proceeds from sale of equity investments through profit and loss	2,664	226,925
Cash inflow/(outflow) from investing activities	<u>(3,636)</u>	<u>226,925</u>
Financing		
Issue of ordinary share capital	235,800	1,584
Repayment of borrowings	(10,000)	(10,000)
Interest payable	(699)	(912)
Cash inflow from financing activities	<u>225,101</u>	<u>(9,328)</u>
Net increase in cash and cash equivalents	<u>(34,599)</u>	<u>(148,711)</u>
Cash and cash equivalents at start of the financial year	282,795	413,970
Cash and cash equivalents at end of the financial year	248,196	282,795

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2024

1. General information

Marechale Capital PLC is a company registered in England and Wales under the Companies Act 2006. The Company's principal activities are the provision of professional services 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 Company'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 Company. The Company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however as at the year end the company had £248k of cash reserves (2023: £283k) which as at that date equated to approximately 7 months of cash overheads. Whilst the company generated operating losses of £296k in the financial year (2023: £372k) the directors remain confident that the project pipeline will generate sufficient income on top of the cash reserves in order to meet the company's liabilities as they fall due over the next twelve months. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investments and/or warrants and deferral of directors' salaries.

b. Basis of accounting

These financial statements have been prepared in accordance with UK Adopted International Reporting Standards ('IFRS'), 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 Directors have chosen not to prepare consolidated accounts because the two subsidiaries, Marechale Ltd and Marechale Capital Investments Ltd, are both dormant, have never traded, and therefore highly immaterial to the financial statements.

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.

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2024

2. Significant accounting policies (continued)

The principal accounting policies are set out below.

c. 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 expected credit losses on receivables.

d. 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, the fair value is assessed and any 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, the fair value is assessed and any 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 credit losses is recognised in the Income Statement where there is objective evidence that the asset is irrecoverable. The credit loss 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 Company after deducting all of the liabilities.

e. 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.

f. Operating leases

Rentals payable under operating leases are charged to income on a straight-line basis over the term of the leases which are less than 12 months agreements. The Company has nominated to take exemption from IFRS 16.

g. Cash and cash equivalents

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

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2024

2. Significant accounting policies (continued)

h. 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 of income or expense which are taxable or deductible in other years and it further excludes items which are never taxable or deductible. The Company'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 Company intends to settle its current tax assets and liabilities on a net basis.

i. 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.

j. Reserve for own shares

The Reserve consists of an Employee Share Ownership Plan which is accounted for in line with IAS 32, 'Financial Instruments - Presentation', re treasury shares where shares have been shown at cost in a separate Reserve as a deduction from Shareholders' Funds.

k. 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.

l. 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.

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2024

2. Significant accounting policies (continued)

m. 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.

3a. New standards, amendments and interpretations effective and adopted by the Company

There are no standards, amendments or interpretations effective this year which have a significant impact on these financial statements.

3b. New standards, amendments and interpretations that are not yet effective and have not been adopted early by the company.

At the date of authorisation of these financial statements, several new, but not yet effective, standards, amendments to existing standards and interpretations have been published. None of these have been adopted early by the Company. New standards, amendments and interpretations not adopted in the current year have not been disclosed as they are not expected to have a material impact on the Company.

4. Business and geographical segments

The directors consider that there is only one activity undertaken by the Company, that of corporate finance professional services advisory. All of this activity was undertaken in the United Kingdom.

	2024 (£)	2023 (£)
Broking commissions and fees earned from corporate finance	668,816	375,726

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

	2024 (£)	2023 (£)
Operating lease rentals	21,293	19,810
Staff costs (Note 9)	248,270	269,735
Auditors' remuneration for audit services	24,000	31,000

Amounts payable to Barnes Roffe (2023: UHY Hacker Young) by the Company in respect of non-audit services were:

Auditors' remuneration: - for non audit FCA compliance	1,000	1,500
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Notes to the financial statements
Year ended 30 April 2024

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

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	5,601,448	04-Oct-18	1.12p	5 years from	1/3rd/year on anniversary date when
Unissued	166,667	04-Oct-18		from vesting	beneficiary must remain employed.
Nov-20	4,354,927	23-Sep-19	1.25p	As above	As above
Oct-21	1,000,000	23-Sep-19	1.85p	As above	As above
Unissued	246,521	23-Sep-19			
Dec-22	6,950,000	See Note	2.05p	As above	As above

Note, the 2018 and 2019 AGMs both approved options up to 10% of the issued share capital. Since those dates a further 37.8m shares have been issued of which 20%, or 7.5m shares, were available to be issued as options, of which 6.95m were issued.

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

	2024 Number	2023 'WAEP'	2023 Number	2023 'WAEP'
Outstanding at start of the financial period	15,016,076	1.64p	8,316,076	1.30p
Granted during the period			6,950,000	2.05p
Exercised during the period			-83,333	1.90p
Forfeited within the period			-166,667	1.90p
Outstanding and exercisable at end of the financial period	<u>15,016,076</u>	1.64p	<u>15,016,076</u>	1.64p
Date of grant	Nov-18	Nov-20	Oct-21	Dec-22
Charge in year ended 30 April 2024	-	1,694	-	66,179
Charge in year ended 30 April 2023	291	5,928	1,750	13,707

In accordance with the requirements of IFRS 2 Share-based payments, the weighted average estimated fair value for the options granted was calculated at the exercise prices per option (listed above) 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. 3% risk free rate was used for the calculation of the cost of the December 2022 scheme, 4% was used in the calculation for earlier years.

6. Other gains and losses

	2024 (£)	2023 (£)
Realised (losses) on equity investments	(5,402)	(18,075)
Unrealised gains/(losses) on equity investments	250,000	(17,536)
Unrealised (losses) on equity warrants	(21,594)	(16,513)
	<u>223,004</u>	<u>(52,124)</u>

7. Exceptional costs

Provision for debtors in investee companies*	(37,803)	-
Provision for loan notes in investee companies*	(71,500)	-
	<u>(109,303)</u>	<u>(52,124)</u>

* At the time of the audit the investee companies were continuing to trade: however, it is unlikely that the debtors and/or the loan notes will be recovered in the short term. In the longer term the Directors are optimistic of recovery.

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2024

	2024 (£)	2023 (£)
8. Tax		
The tax charge comprises:		
Mainstream UK corporation tax deriving from profits for the prior financial year	-	-
Total current tax	<u>-</u>	<u>-</u>
Deferred tax		
Charge in respect of timing differences	-	-
Total deferred tax	<u>-</u>	<u>-</u>
Total tax on (loss) from ordinary activities	<u>-</u>	<u>-</u>

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

Tax of 19% (2023: 19%) to the loss before tax for the reasons set out in the reconciliations below:

Profit/(Loss) per financial information	(182,987)	(425,516)
Unrealised (gains)/losses on investments and warrants	228,406	34,588
Disallowed items	68,980	24,190
Losses carried forward	(114,399)	366,739
Taxable profit	<u>-</u>	<u>-</u>
Tax at 19% (2023: 19%)	<u>-</u>	<u>-</u>
Tax expense for the year	<u>-</u>	<u>-</u>

The Company had trading losses available to carry forward at 30 April 2024 of approximately £3.9m (2023: £3.8m). 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.

	2024 (£)	2023 (£)
9. Staff costs		
Continuing operations		
Wages and salaries	224,511	241,410
Social security costs	22,465	26,083
Pension costs	1,293	2,242
	<u>248,270</u>	<u>269,735</u>
Directors' emoluments		
The emoluments of the highest paid Director were:	180,000	180,000
Pension contributions of the highest paid Director were:	1,700	1,700
The aggregate Directors' remuneration was:	213,700	220,200

The Company does not operate any form of pension scheme: the Company contributes to 'Nest' operated by HMRC.

	Number	Number
Average number of employees for continuing operations:		
Executive and Non-Executive Directors	2	3
Staff	1	2
	<u>3</u>	<u>5</u>

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10. Earnings per share

	Earnings (£)	Earnings (£)
Based on Profit for the year.	<u>(182,987)</u>	<u>(425,516)</u>
	No. shares	No. shares
Weighted average number of Ordinary Shares in issue for the purpose of basic earnings per share	104,194,580	95,419,581
Weighted average number of Ordinary Shares in issue for the purpose of diluted earnings per share - see also Note 5, and immediately below.	119,210,656	103,610,657

The loss attributable to equity shareholders and weighted average number of ordinary shares for the purposes of calculating diluted earnings per ordinary share are identical to those used for basic earnings per ordinary share. This is because the exercise of share options would have the effect of reducing the loss per ordinary share and is therefore anti-dilutive.

11. Investments

	(£)
Cost	
At 1 April 2022	287,355
Additions/ (Disposals)	-
At 30 April 2023	<u>287,355</u>
Additions/ (Disposals)	-
At 30 April 2024	<u>287,355</u>
Provision for impairment	
At 1 April 2022	287,353
Provision in the year	-
At 30 April 2023	<u>287,353</u>
Provision in the year	-
At 30 April 2024	<u>287,353</u>
Net book value at 1 April 2022	2
Net book value at 30 April 2023	2
Net book value at 30 April 2024	2

The Company's directly held subsidiary undertakings as at 30 April 2024 were:

<i>Subsidiary undertaking</i>	<i>Principal Activity</i>	<i>Registered office</i>	<i>Percentage of ordinary share capital held</i>
Marechale Limited	Dormant	46 New Broad St London EC2M 1JH	100%
Marechale Capital Investments Ltd	Dormant	46 New Broad St London EC2M 1JH	100%

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	2024 (£)	2023 (£)
12. Investments under fair value through profit and loss		
Quoted investments	225	225
Unquoted investments	3,039,434	2,862,428
	3,039,659	2,862,653

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. 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.

In 2024 the Company had £5,402 realised losses and £250,000 unrealised gains, offset by a £71,500 impairment provision. In 2023 the Company had £18,075 realised losses and a £17,536 impairment provision.

This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and reliable information such as recent fundraising. There is however inherent uncertainty when valuing private companies such as these in the natural resources sector.

	2024 (£)	2023 (£)
13. Investments under fair value through profit and loss		
Unquoted options and warrants	108,482	130,076
	108,482	146,589

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. See also Note 12, third paragraph.

The Company had net unrealised losses in 2024 of £21,594, and net unrealised losses in 2023 of £16,513.

	2024 (£)	2023 (£)
14. Trade and other receivables		
Trade receivables (net of provision)	4,800	46,535
Other receivables	11,865	12,290
Prepayments and accrued income	17,925	17,109
	34,590	75,934

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

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14. Trade and other receivables (continued)

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

The Company 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 Company's fees and commissions. No such risk existed at the reporting date.

15. Cash and cash equivalents	2024	2023
	(£)	(£)
Cash held directly at UK Clearing Banks	248,196	282,795
	<u>248,196</u>	<u>282,795</u>

16. Trade and other payables

Trade payables	12,994	35,189
Other payables and accruals	40,651	49,039
Taxes and social security	8,389	7,330
	<u>62,035</u>	<u>91,558</u>

17. Borrowings

Bounce-back Loan repayable within one year	10,000	10,000
Bounce-back Loan repayable in the second to fifth year (inclusive)	12,500	22,500
	<u>22,500</u>	<u>32,500</u>

In July 2020 the Company took out a Bounce-back Loan through Barclays Bank Plc, non-interest bearing for the first 12 months, thereafter at 2.5%, repayable from July 2021 over 5 years at £833/month.

18. Share capital, Share premium

New Ordinary shares of 0.8p	Ordinary shares (number)	Issued share capital (£)	Share Premium (£)
Issued at 30 April 2022	<u>95,377,914</u>	<u>763,023</u>	<u>328,413</u>
Issued during the year*	83,333	667	917
Issued at 30 April 2023	<u>95,461,247</u>	<u>763,690</u>	<u>329,330</u>
Issued during the year**	10,480,000	83,840	151,960
Issued at 30 April 2024	<u>105,941,247</u>	<u>847,530</u>	<u>481,290</u>
* Issued during the year - exercise of options	83,333	667	917
** Issued on 28 June 2023 for cash	10,480,000	83,840	151,960

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19. 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:

	2024 (£)	2023 (£)
<i>Leasehold Property</i>		
Within one year	6,344	6,128
	<hr/> 6,344	<hr/> 6,128
<i>Other Assets</i>		
Within one year	-	1,750
In the second to fifth year (inclusive)	-	1,750
	<hr/> -	<hr/> 3,500

20.1 Capital Risk Management

The Company is not reliant on debt finance, its operations currently being funded by equity finance (comprising share capital, other reserves, and retained profits) which totalled £3,346,000 (2023: £3,227,000) at the year end. The Company 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 Company has to ensure that it maintains minimum regulatory capital and liquid assets threshold of £125,000 (2023: £125,000), which it met at 30 April 2024 and 2023.

20.2 Financial Risk Management

Financial Risks

The main risk arising from the Company'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 of fundraising in the case of unquoted investments.

Interest Risk

In July 2020 the Company took out a £50,000 Bounce Back Loan repayable in monthly instalments over 5 years starting in July 2021 at 2.5% fixed interest thereby eliminating the risk of a change in interest rates.

Liquidity Risk

The Company anticipates a modest cash-flow loss in year ended 30 April 2025: nonetheless, at 30 April 2024, the Company held cash reserves equivalent to approximately seven months' cash overheads.

Credit Risk

The Company'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.

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21. Related party transactions

Company in which the Company holds an investment which have paid fees to the Company

Burgh Island Holdings Ltd ('BI')

The Company owned 10,640 shares, 4% in BI at 30 April 2024 (2023: 4%), BI is a related party through common directorship of Patrick Booth-Clibborn, a director of the Group.

The Company charged BI £nil (2023: £2,550) for other services during the period ended 30 April 2024.

At 30 April 2024 BI owed the Company £nil (2023: £nil)

Directors

Patrick Booth-Clibborn

During the year, a travel advance of £5,000 (2023: £5,000) was extended to Mr Booth-Clibborn which is repayable within one year and is included within trade and other receivables 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 in 2024 was £25,964 (2023: £25,261).

The group owed Shand £1,832 at 30 April 2024 (2023: £1,725).

22. Post balance sheet events

There are no post balance sheet events to report.

