25 July 2014

#### Marechale Capital plc ("Marechale" of the "Company")

( Marechale of the Company )

# Consolidated Financial Statements for the year ended 31 March 2014

Marechale is pleased to announce its final results for the year ended 31 March 2014.

#### **Financial highlights**

	Year ende	Year ended 31 March		
	2014	2013		
	£000	£000		
Gross profit	518	470	+ 10%	
Profit/loss before tax	79	(16)	-	
Earnings/loss per share	0.14p	(0.03)p	-	
Net assets	652	561	+ 16%	

#### **Business overview**

- Deals completed in primary sectors of leisure/retail and renewable energy
- Northfield UK Solar currently completing second funding round
- Strong net gain in value of investments

Commenting, Mark Warde-Norbury, Chairman, said:

"Marechale has continued to build on the strong start to the year as reported in our interim statement. On the back of improving economic sentiment, and more confidence in the equity markets, we are pleased to report that we have made a profit of £79,000 (2013 loss £16,000) for the full year."

## For further information please contact:

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## **Chairman's Statement**

Marechale continued to build on the strong start to the year as reported in our interim statement. On the back of improving economic sentiment, and more confidence in the equity markets, the Company's Gross Profit - revenue less commissions paid to 3rd parties - has increased by 10% from £470,200 to £517,600. Furthermore, on the back of gains from our strategy of making investments in our client companies, we recorded 'Other Gains' (net) of £152,400 and we are pleased to report that we have made a profit of £80,000 (2013 loss £16,400) for the full year.

Marechale helps management teams to finance or refinance in two key areas of activity; Growth Capital through 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 our success fee, the Company secures warrants or equity on most of its projects, so Marechale's shareholders have the opportunity to share in the potentially significant upside of the equity value in these businesses.

Marechale's core work is in the corporate finance advisory and capital raising activities for growth companies in two primary sectors in which the Marechale team has a long term track record -Leisure & Retail, and Renewable Energy.

During the year the Company completed a number of leisure deals, including the debt and equity funding raised for the North Eastern leisure group, Inn Collection. Further EIS funding has also been raised for the new brewhouse business, Brewhouse & Kitchen, and the Southern based managed pub group, Heartstone Inns. Most recently equity funding was completed for The Salt Yard restaurant group, further endorsing Marechale's strong position in funding businesses in the leisure sector. In the renewables sector funding has been raised for, amongst others, Future Biogas, the leading anaerobic digestion plant operator in the UK.

The Company's most significant initiative in the renewables sector is the development of ultra large scale solar energy sites in the UK, through Marechale's associated company, Northfield UK Solar Limited (Northfield). Established in 2013, Northfield is developing a portfolio of solar sites. This is one of the larger solar energy initiatives in the UK, and, whilst it is difficult to attribute values until planning permissions and grid connections for the various sites have been secured, there is significant potential uplift value for Marechale's shareholders from our investment in Northfield. Furthermore, Northfield is currently completing its second round of funding and Marechale's stake in Northfield at around 30% of the enlarged equity, is the Company's largest investment to date. The valuation on the balance sheet represents the first funding round, where the Company's investment, accounted for using the Equity Method was valued at £120,000, compared to cost of £500.

Details of other completed transactions on which the Company advised are all detailed on the Company's website at: <u>www.marechalecapital.com</u>.

Marechale remains committed to working with the management teams of quality companies to secure funding from the Company's extensive list of private and institutional investors.

There is an appetite amongst our investor contacts to invest in high quality investment opportunities. The Directors believe that backing the right growth companies, whilst not without its risks, represents an attractive private equity investment for investors looking to diversify their portfolios. Over the last three and half years, if an investor had invested in each of the 18 transactions Marechale has funded, based on the last round of funding or exit value of these transactions, we calculate that they would have achieved an IRR of over 23% to date.

Marechale is quoted on the London Stock Exchange as an AIM listed company and continues to look at a number of potentially interesting acquisitions, investment and merger opportunities, particularly in fund management, and remains open to such approaches. However, none has been progressed to date.

Mark Warde-Norbury Chairman 24 July 2014

#### Consolidated Income Statement Year ended 31 March 2014

				Year ended	Year ended
				31-Mar	31-Mar
			Notes	2014	2013
				(£)	(£)
				(£)	(*)
Continuin	g operation:	5			

Revenue		2 752	2,818 590,993
Cost of sa	les	(235,	,234) (120,808)
Gross pro	ofit	517	7,584 470,185
Administra	ative expenses	(590,	,611) (574,046)
Operating	(loss)	(73	,027) (103,861)
Investmer	nt revenues	1	.,734 -
Other gains		31	,361 87,714
Exception	al gain on dilution of interest in as	ciate 141	,125 -
Net loss ir	n respect of associate	(21,	.786) -
Profit/ (los	os) before tax	75	9,407 (16,147)
Taxation			- (235)
Profit/ (lo	ss) for the year on continuing o	erations 79	9,407 (16,382)
Profit/ (lo	ss) per share	3 (Pe	nce) (Pence)
Basic	- Continuing operations	£	0.14 -0.03

# **Consolidated Statement of Comprehensive Income**

	Year ended	Year ended
	31-Mar	31-Mar
	2014	2013
	(£)	(£)
Profit/ (loss) for the year	79,407	(16,382)
Other comprehensive income		
Revaluation of investments	12,254	22,646

	12,254	22,64
otal recognised comprehensive income		
(all attributable to owners of the parent)	91,661	6,264

# Consolidated Balance Sheet Year ended 31 March 2014

	Year ended	Year ende
	31-Mar	31-Ma
	2014	201
	(£)	(£
Non current assets		
Investment in associate	119,845	
Current assets		
Available for sale investments	108,417	124,38
Trading investments	77,125	67,55
Trade and other receivables	221,003	193,53
Cash and cash equivalents	275,268	262,21
	681,813	647,69
Total assets	801,658	647,69
Current liabilities		
Trade and other payables	(149,319)	(87,014
Total current liabilities	(149,319)	(87,014
Net assets	652,339	560,67
Equity		
Capital and reserves attributable to equity shareholders		
Share capital	2,474,308	2,474,30
Share premium account Revaluation reserve	1,247,379 51,889	1,247,37

Reserve for own share	5	(50,254)	(50,254)
Retained losses		(3,070,983)	(3,150,390)
		652,339	560,678

## Statement of Changes in Equity Year ended 31 March 2014

	Share capital	Share premium	Revaluation reserve	Reserve for own shares	Retained earnings
Group	(£)	(£)	(£)	(£)	(£)
Balance at 31 March 2012	2,421,870	1,227,453	16,989	(50,254)	(3,134,008)
Issue of ordinary share capital	52,438	19,926	-	_	-
Release of reserve for lapsed options	-	-	-	-	-
Transactions with owners	52,438	19,926	-	-	-
Total comprehensive income					
Loss for the financial year	-	-	-	-	(16,382)
Revaluation during the financial year	-	-	22,646	-	-
Total comprehensive income	-	-	22,646	-	(16,382)
Balance at 31 March 2013	2,474,308	1,247,379	39,635	(50,254)	(3,150,390)
Issue of ordinary share capital	-	-	-		
Release of reserve for lapsed options	-	-	-	-	-
Transactions with owners	0	0	-	-	-
Total comprehensive income					
Profit for the financial year	-	-	-	-	79,407
Revaluation during the financial year	-	-	12,254	-	_
Total comprehensive income	-	-	12,254	-	79,407
Balance at 31 March 2014	2,474,308	1,247,379	51,889	(50,254)	(3,070,983)

Movement	ts of the Revaluation reserve consist of:	2014	2013
	Unrealised gains	12,254	22,646
	Release of unrealised gains to Profit and Loss	_	
		12,254	22,646
Reserves f	for own shares consists of:		
	Reserve for employee share ownership plan ('ESOP')	(50,254)	(50,254
	Reserve for share based payments		
		(50,254)	(50,254

The Reserve for ESOP comprises 232,603 shares in the Group held in an ESOP Trust. As at 31 March 2014 and 2013, none of the shares had been unconditionally granted to any of the Group's employees and had an aggregate market value of  $\pounds4,652$  (2013:  $\pounds2,719$ ).

## Consolidated Cash Flow Statement Year ended 31 March 2014

	Year ended	Year ended 31-Mar 2013	
	31-Mar		
	2014		
	(£)	(£)	
Net cash from operating activities			
Continuing operations: Operating loss	(73,027)	(103,861)	
Operating cash flows before movements in working capital	(73,027)	(103,861)	
Movement in working capital			
(Increase) in receivables	(28,438)	(40,471)	
Increase in payables	63,275	31,413	
Tax paid	-	(235)	
	34,837	(9,293)	
Operating cash flow	(38,190)	(113,154)	
Investment activities			
Interest receivable	1,734	-	
Proceeds on disposal of trading investments	44,807	24,258	
Proceeds on disposal of available for sale investments	5,205	3,500	
Expenditure on available for sale investments	(506)	(35,500)	
Cash flow from investing activities	51,240	(7,742)	
Financing			
Issue of share capital	-	72,364	
Cash flow from financing activities	0	72,364	
Net increase/ (decrease) in cash			
and cash equivalents	13,050	(48,532)	
Cash and cash equivalents at start of the financial year	262,218	310,750	
Cash and cash equivalents at end of the financial year	275,268	262,218	
Increase/ (decrease) in cash and cash equivalents	13,050	(48,532)	

#### Notes to the Financial Information Year ended 31 March 2014

# 1. Basis of preparation

These financial statements have been prepared in accordance with International Financial Reporting Standards ('IFRS') as adopted by the European Union and the

International Financial Reporting Interpretations Committee ('IFRIC') interpretations in accordance with the Companies Act 2006. The financial statements have been prepared on the historical cost basis as modified by the valuation of certain financial instruments.

The principal accounting policies adopted in the preparation of the financial information is this announcement are set out in the Company's full financial statements for the year ended 31 March 2014.

#### 2. 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.

					2014	2013
					(£)	(£)
Broking co	ommissions a	nd fees earne	d from corporate fin	ance	752,818	590,993

#### 3. Earnings per share

	Earnings	Earnings
	(£)	(£)
Based on a profit/ (loss) of	79,407	(16,382)
	No. shares	No. shares
Weighted average number of Ordinary Shares in issue	57,681,151	53,748,345

#### 4. Other matters

The financial information for the year ended 31 March 2014 set out in this announcement does not constitute statutory financial statement, as defined in section 434 of the Companies Act 2006, but is based on the statutory financial statements for the year then ended. Those financial statements, upon which the auditors have issued an unqualified opinion, will be delivered to the Registrar of Companies.

Copies of the Company's full audited Annual Report and Financial Statements for the year ended 31 March 2014 will be sent to shareholders in due course and will be available on the Company's website: <u>www.marechalecapital.com</u>.