



MARECHALE CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2021



MARECHALE CAPITAL PLC
COMPANY INFORMATION

Directors	Mark Warde-Norbury (Chairman) Patrick Booth-Clibborn (Chief Executive) Lord Flight, of Worcester (Nonexecutive)
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 broker and adviser	Cairn Financial Advisers LLP Cheyne House Crown Court 62-63 Cheapside London EC2V 6AX
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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FOR THE YEAR ENDED 30 APRIL 2021

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MARECHALE CAPITAL PLC
CHAIRMAN'S STATEMENT
FOR THE YEAR ENDED 30 APRIL 2021

Marechale Capital Plc ('Marechale') is an established corporate finance firm providing strategic, M&A and advisory services to a range of growth companies, historically primarily in the hospitality and renewable energy sectors in the UK and Europe. Marechale also finances earlier stage and growth capital companies across other sectors with business and funding opportunities coming from its family office, private investor and private equity relationships.

2020 was a year of significant challenges for a number of businesses across the hospitality sector, among many others, due to the uncertainty caused by Covid-19. Given the impact of the pandemic and Government restrictions on our hospitality clients, it is testament to the skill and hard work of the management teams Marechale advise that, not only have they survived, but they are also strongly positioned to expand and capitalise on market opportunities presented by inherent weaknesses in the sector.

Our renewable energy and other corporate clients continue to perform well. Marechale has four long standing clients who are looking for a trade exit or IPO in the next three to 18 months, which would crystallise the considerable uplift already recorded on investments and warrants in Marechale's balance sheet. Likewise, the pipeline of new and increasingly diversified projects for Marechale to advise and finance remains robust.

The Company entered the 2020/21 financial year with high exposure to the hospitality sector but recovered well in the second half of the year, funding clients in this industry as well as other high growth sectors. Completed projects included further equity funding for the European telecommunications technology company, Fast2Fibre, and additional equity and loan note funding with warrants for The Forest Road Brewing Company for its new brewery. Marechale also raised further equity for national brew pub group, Brewhouse & Kitchen, leading East Anglian Inn operator, Chestnut Group, and award-winning craft spirits distiller, Oslo Distillery. Additionally, the Company continues to generate professional services income by providing advice to its hospitality, renewable and high growth business clients. It is therefore pleasing that, against the effect that the Covid-19 pandemic had earlier in our financial year, Marechale had a strong second half.

On revenue of £400,000 (2020: £477,000), our gross profit margin reduced from 88% to 64%, which was almost entirely caused by higher than normal third-party commissions payable on one particular client. Administrative expenses remained steady at £463,000 (2020: 457,000).

Investments and warrants in three client companies generated unrealised gains of £412,000, offset by a small realised loss of £1,500, compared to a net overall loss in 2020 of £12,000, the latter being realised gains of £19,350 offset by a £21,000 write off and a £10,000 Covid-19 related fair value decrease.

I am delighted to announce that the net effect is a profit for the year of £246,000 compared to a loss of £37,500 in 2020. At the same time, the balance sheet value has increased significantly during the year to £686,000 from £159,000 in FY20, due to adding both profit and new equity which is explained in full in the Statement of Changes in Equity.

MARECHALE CAPITAL PLC
CHAIRMAN'S STATEMENT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

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 will be achieved by negotiating further 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 an average internal rate of return of 13% across all of its client companies for its investor relationships since 2010. On its own account, since 2010, Marechale has realised an overall profit of £253,000 by investing in and/or benefitting from warrants in client companies, realising proceeds of £305,000 against a cost of £52,000.

Historically, the Company has had limited resources on its own balance sheet to fully capitalise on the opportunity and potential to create sizeable gains. The Company therefore embarked on a small capital raise earlier in 2021, raising £250,000 of new equity to deploy and support the development of this strategy in which Patrick Booth-Clibborn, Chief Executive, invested. We are hopeful that our investments in Burgh Island, Chestnut Group, Fast2Fibre and Future Biogas, amongst others, will deliver uplifts in value in due course.

Due to Marechale's track record as a corporate finance adviser in the £5-50 million Enterprise Value PE sector, the Board remains optimistic that the Company will continue to generate further uplifts on its current and future equity and warrant investments, both in the short and longer term.



Mark Warde-Norbury
Chairman
20 August 2021

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE
FOR THE YEAR ENDED 30 APRIL 2021

Companies traded on AIM are not required to adopt the UK Governance Code, and instead may choose to adopt 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, (and during the restrictions imposed during the Covid-19 pandemic) 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 more than 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 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 2021

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.

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.

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

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 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. Furthermore, in February the Company raised £268,000 in new equity (net of fundraising commission).

In order to preserve cash during Covid, as with many other businesses, the Company has benefitted from both the formal arrangement with HMRC whereby payment of monthly PAYE/NI was deferred until the September 2020 lockdown restrictions, now fully repaid, and through the Company's existing bankers, Barclays, via HMG backed guarantees. On 6 July 2020 the Company drew down in full a £50,000 'Bounce Back Loan' not repayable until July 2021 over 5 years in 60 monthly instalments of £833. Under the terms of the loan, no repayments or interest is payable for the first year, with an applicable interest rate of 2.5% thereafter and there are no penalties for early repayment. Furthermore the Company benefitted from the HMRC Furlough Scheme relating to those staff who were unable to work during lockdown.

Whilst the Directors recognise that there is significant material uncertainty around going concern as a result of the current economic uncertainty and 2021 *Operating Loss*, the accounts have still been prepared on a going concern basis, which is supported by confidence over the ability to raise sufficient funds through the issue of further equity should the need arise.

MARECHALE CAPITAL PLC
CORPORATE GOVERNANCE (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

Valuation of investments

The Directors have considered the fair value adjustment made on the investments held at fair value through profit or loss. As discussed in Notes 13 and 14, an upward fair value adjustment on the investments and warrants was made to the total of £411,992. This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and incorporating the ongoing impact of Covid-19 on the industry over which there remains material uncertainty.

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



Mark Warde-Norbury
Director
20 August 2021

MARECHALE CAPITAL PLC
STRATEGIC REPORT
FOR THE YEAR ENDED 30 APRIL 2021

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 2021

The Balance Sheet at 30 April 2021 is set out on page 27.

The movement in Equity Investments consists of £51,000 additions plus £323,000 upward fair value adjustments less a £3,000 net write-off.

The movement in Warrants consists of £89,000 upward fair value adjustments.

Trade and other receivables have reduced by £11,000 reflecting minor timing differences.

Cash and cash equivalents have increased by £76,000 (2020: £9,000) as more fully described in the Cash Flow Statement.

Trade and other payables decreased by £52,000 (2020: £50,000) largely due to timing issues in the ordinary course of business.

A Bounce Back Loan was drawn down in July 2020 as more fully described in Note 17.

Net assets at 30 April 2021 stood at £686,000 compared to £159,000 at 30 April 2020, as a result of both profits and 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.

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. Given Covid 19 and the Company's specialism in the hospitality sector, there remain significant uncertainties and macro-economic risks associated with the pandemic.

MARECHALE CAPITAL PLC
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

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 'input' 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 effects its employees and Associates is fully described in 'The Operation of Marechale Capital' in the 'Corporate Governance' section above.

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, 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.

MARECHALE CAPITAL PLC
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement (continued)

Company inputs (continued) -

In parallel with the fund-raising side of Marechale, it often will take a stake in an investee company. In 2021 the Company:

- invested £50,000 in interest bearing Loan Notes,
- invested £575 by exercising warrants into equity whose fair value is £287,500 reflecting a client relationship going back to 2011,
- benefitted from a fair value adjustment to an original £10,000 investment in 2011 whose fair value is now £50,000,
- benefitted from a fair value adjustment to warrants of £42,000 reflecting a client relationship going back to 2016 including reversal of April 2020's Covid 19's negative fair value adjustment.
- benefitted from terms with a new client which allowed for warrants whose fair value adjustment amounted to £47,000.

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, and 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 –

Three Directors own almost 30% of Marechale's shares, plus Options over a further 9.2%, 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 111 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.

MARECHALE CAPITAL PLC
STRATEGIC REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

S172(1) Statement (continued)

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.



Mark Warde-Norbury

Director

20 August 2021

MARECHALE CAPITAL PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2021

The Directors present their report together with the audited financial statements of the Company for the year ended 30 April 2021.

Results

As more fully described on page 26, the Company achieved a profit of £246,000 (2020: loss £37,500).

Dividends

The Directors do not recommend the payment of a dividend for the current year (2020: £nil).

Key Performance Indicators

1. To deliver an Operating Profit, which was frustrated by the Covid lockdown and therefore not achieved.
2. To deliver a Profit before tax which was achieved.
3. 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 May 2020 were:

Mark Warde-Norbury (Chairman)
Lord Flight of Worcester (Non-executive)
Patrick Booth-Clibborn (Chief Executive)

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 2021	At 30 April 2020*
Mark Warde-Norbury	11,282,902-14.0%	11,282,902-19.6%
Lord Flight	388,060 – 0.5%	388,060 – 0.7%
Patrick Booth-Clibborn	12,076,685 – 15.0%	8,244,740 – 14.3%

MARECHALE CAPITAL PLC
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

Options on 0.8p Ordinary Shares	At 30 April 2021	At 30 April 2020*
Mark Warde–Norbury	865,217 – 1.1%	547,971 – 0.95%
Lord Flight	-	-
Patrick Booth-Clibborn	6,200,859 – 7.7%	4,395,303 – 7.62%

* During the year the Company issued 20m shares via placing and 2.8m share options were exercised. The percentage shown as at 30 April 2020 are in relation to the total shares as at 30 April 2020.

The remuneration of the Directors was as follows:

	30 April 2021 £	30 April 2020 £
Mark Warde–Norbury	30,000	30,000
Lord Flight *	8,500	8,500
Patrick Booth-Clibborn **	180,000	189,750

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

** In March 2019 a liability to pay Mr Booth-Clibborn of £9,750 was established for payment of commission relating to the period prior to 2009 when he joined the Company, subject to cash-flow constraints. The payment was eventually made in March 2020.

Options approved at the 23 September 2019 AGM but not yet granted

Options over 2.1% of the company's share capital were approved but have not yet been granted.

Substantial Shareholders

As at 14 July 2021 (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):

MARECHALE CAPITAL PLC
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021

Substantial Shareholders (continued)

3% or more shareholders (excluding Directors)	No. shares	%
Mr B Reynolds	7,550,000	9.3%
Mr R Edwards	2,550,000	3.2%

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 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 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.

**MARECHALE CAPITAL PLC
DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 APRIL 2021**

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

20 August 2021

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 2021, 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 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 Company's affairs as at 30 April 2021 and of the profit for the year end then ended;
- the Company financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- the financial statements 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 relating to Going concern

We draw attention to the Going Concern section of the Significant Accounting Policies of the Company financial statements which explains that the Company has unpredictable revenue due to the nature of Corporate Finance advisory and the reliance upon deal-driven transactions. The impact of Covid-19 and Government restrictions to reduce the spread of the pandemic has had a significant impact on the wider economy and specifically the hospitality and leisure sector which is one of the Company's main sector specialisms. Should the Company not be able to generate sufficient revenue to meet its operating costs it will generate operating losses as was the case during the year ended 30 April 2021 and 2020. Should losses continue to be generated at a similar levels without additional capital being raised from the shareholders or the ability to liquidate a portion of the investments held 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 material 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.

In auditing the financial statements, we have concluded that the director's use of going concern basis of accounting in the preparation of the financial statements is appropriate. Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting included an assessment of the risk and audit procedures to address this risk:

The risk

The Company is financed by equity and retained earnings and requires the ongoing generation of revenue to meet operating costs. Following to the ongoing COVID-19 pandemic, there is uncertainty around the Company's ability to continue its primary activity of corporate finance activities in respect of the hospitality and leisure industry which has been significantly impacted by Government restrictions to restrict the spread of Covid-19.

Given the above factors, we consider going concern to be a significant audit risk area.

The directors' conclusion of the risks and circumstances described in the Going Concern section of the Significant Accounting Policies of the financial statements represent a material uncertainty over the ability of the Company to continue as a going concern for a period of at least a year from the date of approval of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

How our audit addressed the risk:

Our audit procedures included:

- We discussed plans for the Company going forward with management, ensuring these had been incorporated into the budgeting.
- Assessing the transparency and the completeness and accuracy of the matters covered in the going concern disclosure by evaluating management's cash flow projections for the next 12 months and the underlying assumptions.
- We obtained budgets and cash flow forecasts, reviewed the methodology behind these, ensured arithmetically correct and challenged the assumptions.
- We obtained post year end trading results and compared these to budget to ensure budgeting is reasonable and results are in line with expectations.
- We completed sensitivity analysis on the budgets provided to assess the change in revenue that would need to occur to push the Company into a cash negative position.

Key observations:

Based on the audit procedures performed we concluded that the Company has a material uncertainty over the ability to continue as a going concern for a period of at least twelve months from the date of approval of the financial statements. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, including that there is a related material uncertainty, is a key financial statement disclosure and so was the focus of our audit in this area. Auditing standards require that to be reported as a key audit matter.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Emphasis of matter – valuation of investments

In forming our opinion on the financial statements, which is not modified, we have considered the fair value adjustment made by the directors on the investments held at fair value through profit or loss. As discussed in Notes 13 and 14, an upward fair value adjustment on the investments and warrants was made to the total of £411,992. This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and incorporating the ongoing impact of Covid-19 on the industry. As explained further in our Key Audit Matter in regard to the valuation of these estimates we consider there is a material uncertainty in respect of their valuation. Our opinion is not qualified in respect of this matter.

Our approach to the 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 impairment reviews on exploration assets that involved making assumptions and considering future events that are inherently uncertain.

We tailored the scope of our audit to ensure that we performed enough 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 it operates. 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.

We communicate 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 identified during the course of the audit.

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. This is not a complete list of all risks identified during our audit. Going concern is a significant key audit matter and is described above. In arriving at our audit opinion above, the other key audit matters were as follows:

Key audit matters	How our audit addressed the key audit matters
Revenue Recognition Under IFRS 15 "Revenue from Contracts with Customers" (IFRS 15), 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 in exchange for the services. The revenue stream is primarily derived from professional services paid via a retainer for ongoing deal arranging and success fees on the successful fund raising. Both of these are significant to the financial statements and an error in the calculation of the recognition criteria would likely lead to a material error. Auditing standards set out a rebuttable risk of fraudulent revenue recognition and consider that it should be treated as a significant risk. In this regard we consider that there is a risk that revenue is recognised on an inappropriate basis; meaning incorrect calculations of income being made.	Our audit work included, but was not restricted to: - Obtaining a list of 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 reviewed cut off procedures around the year-end to gain comfort that the revenue has been recognised in the correct period. - Whilst performing the audit testing we assessed whether the treatment of revenue was in accordance with the Company recognition criteria as per the Company accounting policy. - Assessing whether the Company's accounting policies for revenue recognition are in accordance with the requirements of IFRS 15. Key observations: We did not identify any material issues or errors from the testing we performed and are therefore satisfied that we have assurance of the revenue recognition and cut off around the year end.

Key audit matters	How our audit addressed the key audit matters
Valuation of the investments held at fair value through profit or loss 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. The fair value of these financial assets inherently involve more significant management judgement as they are primarily in private companies, often at an early stage of development and are typically illiquid. The ongoing impact of the Covid-19 pandemic provides further uncertainty in respect of the value of these investments at the balance sheet date and management has undertaken an assessment of the fair value in consideration of this uncertainty. Accordingly there is a risk of incorrect valuation of Financial Instruments held by the company.	Our audit work included, but was not restricted to: • Obtaining the full list of equity instruments and warrants held by the Company and agreed a sample to supporting documentation to provide evidence of ownership. • We reviewed the Director's assessment of the fair value of the equity instruments and warrants on a sample basis and agreed the assessments to supporting information where possible. • We considered the approach to valuing the investments assessing whether the method chosen was appropriate in the circumstances and whether alternative valuation methods would be more appropriate. • We corroborated the inputs to the valuation calculations on a sample bases and applied professional skepticism on their application. • We agreed the arithmetical accuracy of fair value adjustments and the accounting for such adjustments. Key observations: The underlying valuations are inherently uncertain and many of the financial instruments are in sectors that have been impacted by the Covid-19 pandemic which creates further significant uncertainty over the valuations. The Directors have increased the fair value for certain investments based on the potential positive underlying performance of these investments. In the year the Company has revalued both equity investments and warrants based on the evidence available to them, primarily based on observable inputs such as recent transaction prices. The most significant investment is held at £337k and is based upon a recent fund raise that remains ongoing and is yet to be concluded. The Directors have therefore taken a discounted price to provide a prudent approach to the valuation. Whilst this approach is considered reasonable in the circumstances, it requires a number of

Key audit matters	How our audit addressed the key audit matters
	judgements and is inherently uncertain and it is therefore not possible to conclude with minimal uncertainty that the valuations are materially correct. Accordingly, there is a material uncertainty in respect of the fair value of the investments held at fair value through profit or loss at the year end as referenced in the Emphasis of Matter paragraph.

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.

In order to reduce to an appropriately low level the probability that any misstatements exceed materiality, we use a lower materiality level, performance materiality, to determine the extent of testing needed. Importantly, misstatements below these levels will not necessarily be evaluated as immaterial as we also take account of the nature of identified misstatements, and the particular circumstances of their occurrence, when evaluating their effect on the financial statements as a whole.

Materiality Measure	
Overall materiality We determined materiality for the financial statements as a whole to be:	We determined materiality for the financial statements as a whole to be £11,000.
How we determine it	Based on the main key indicators, being 3% of revenue.
Rationale for benchmarks applied	We believe that 3% of revenue is the most appropriate due to the size and nature of the Company. It is also considered a key performance indicator for the Directors because the revenue has a direct impact upon the operating profit which is a key performance indicator.
Performance materiality	£8,250 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 £8,250.
Specific materiality	We also determine a lower level of specific materiality for certain areas such as directors' remuneration and related party transactions of £2,000 as these are considered to be material by nature.

Reporting threshold	We agreed with the Audit Committee that we would report to them all misstatements over 5% of materiality identified during the audit, as well as differences below that threshold that, in our view, warrant reporting on qualitative grounds. We also report to the Audit Committee on disclosure matters that we identified when assessing the overall presentation of the financial statements.
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Other information

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

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the 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 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.

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.

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

Based on our understanding of the Company and the industry in which it operates, we identified that the principal risks of non-compliance with laws and regulations related to the acts by the Company which were contrary to applicable laws and regulations including those relating to tax legislation, anti bribery and corruption laws and fraud and we considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to the appropriateness of revenue recognition and inflated profit.

In response to the risk of irregularities, including fraud, we designed audit procedures that included: a review of the financial statement disclosures in conjunction with underlying supporting documentation, review of correspondence with and reports to the regulators, including correspondence with the Financial Conduct Authority, review of board minutes and similar internally generated management reports, enquiries of management about any instance of non-compliance with laws and regulations or fraud, and testing of management journals and evaluating whether there was evidence of management bias which could lead to a material misstatement due to fraud.

There are inherent limitations in the audit procedures described above and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. Furthermore, the risk of not detecting a material misstatement due to fraud is greater than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery or intentional misrepresentations, or through the act of collusion that would mitigate internal controls.

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

Use of our report

This report is made solely to the Company's members, as a body, in accordance with 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

20 August 2021

Marechale Capital Plc
Income Statement
Year ended 30 April 2021

	Notes	Year ended 30-Apr 2021 (£)	Year ended 30-Apr 2020 (£)
Continuing operations			
Revenue	4	399,929	476,743
Cost of sales		(144,507)	(54,587)
Gross profit		255,422	422,156
Administrative expenses		(463,343)	(457,272)
Operating loss	5	(207,922)	(35,116)
Other Income	6	44,354	10,209
Finance expense	7	(1,063)	(251)
Other gains/(losses)	8	410,516	(12,372)
Profit/ (loss) before tax		245,886	(37,530)
Taxation	9	-	-
Profit/ (loss) for the year on continuing operations		245,886	(37,530)
Earnings/ (loss) per share			
		(Pence)	(Pence)
Basic - Continuing operations	11	0.39	(0.07)
- Diluted	11	0.35	(0.07)

Statement of Comprehensive Income

Profit/ (loss) for the year	245,886	(37,530)
Total recognised comprehensive profit/ (loss) (all attributable to owners of the company)	245,886	(37,530)

Marechale Capital Plc
Company Balance Sheet
As at 30 April 2021

	Notes	Year ended 30-Apr 2021 (£)	Year ended 30-Apr 2020 (£)
Current assets			
Investment in subsidiary and associate	12	2	2
Equity investments at fair value through profit and loss	13	423,066	52,036
Warrants at fair value through profit and loss	14	90,013	881
Trade and other receivables	15	50,599	61,990
Cash and cash equivalents	16	233,287	157,232
Total current assets		796,967	272,141
Total assets		796,967	272,141
Current liabilities			
Trade and other payables	17	(61,213)	(113,517)
Borrowings	18	(7,500)	-
Total current liabilities		(68,713)	(113,517)
Net current assets		728,254	158,624
Long-term liabilities			
Borrowings	18	(42,500)	-
Net assets		685,754	158,622
Equity			
<i>Capital and reserves attributable to equity shareholders</i>			
Share capital	19	643,690	461,449
Share premium	19	85,247	-
Reserve for own shares		(50,254)	(50,254)
Reserve for share based payments		42,709	28,953
Retained losses		(35,638)	(281,524)
		685,754	158,622

The financial statements were approved by the Board of Directors and authorised for issue on 20 August 2021.
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 2021

	Share capital	Share premium	Reserve for own shares	Reserve for share based payments	Retained earnings
Company					
Balance at 30 April 2019	461,449	-	(50,254)	11,939	(255,819)
Total comprehensive income					
Charge/ (loss) for the financial year	-	-	-	17,014	(25,705)
Total comprehensive income	-	-	-	17,014	(25,705)
Balance at 30 April 2020	461,449	-	(50,254)	28,953	(281,524)
Total comprehensive income					
Charge/ profit for the financial year	-	-	-	13,756	245,886
Issued in year*	182,241	85,247	-	-	-
Total comprehensive income	182,241	85,247	-	13,756	245,886
Balance at 30 April 2021	643,690	85,247	(50,254)	42,709	(35,638)

* Issued of ordinary shares in the year (net of expenses)

Marechale Capital Plc
Cash Flow Statement
Year ended 30 April 2021

	Year ended 30-Apr 2021 (£)	Year ended 30-Apr 2020 (£)
Net cash from operating activities		
Profit/ (Loss) before tax	245,886	(25,705)
Reverse provision for share based payments	13,756	17,014
Reverse (gains)/ losses on fair value investment through profit and loss	(411,992)	10,880
Reverse losses/ (gains) on disposal of investments	1,476	(10,333)
Reverse net interest expense	1,063	251
Operating cash outflows before movements in working capital	(149,811)	(7,893)
Movement in working capital		
Decrease in receivables	11,391	43,216
(Decrease) in payables	(52,303)	(50,511)
Tax paid	-	-
	(40,912)	(7,295)
Cash outflow from operating activities	(190,724)	(15,188)
Investment activities		
Interest received	14	45
Expenditure on equity investments	(50,625)	(7,601)
Proceeds from sale of equity investments through profit and loss	980	31,672
	-	-
Cash (out)/ inflow from investing activities	(49,631)	24,116
Financing		
Issue of ordinary share capital	267,487	-
Issue of borrowings	50,000	-
Interest payable	(1,077)	(296)
Cash in/ (out) flow from financing activities	316,410	(296)
Net increase in cash and cash equivalents	76,055	8,632
Cash and cash equivalents at start of the financial year	157,232	148,600
Cash and cash equivalents at end of the financial year	233,287	157,232

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2021

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 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. Furthermore, in February 2021 the Company raised £268,000 in new equity (net of fundraising commission). In order to preserve cash during Covid 19, the Company has benefitted from both the formal arrangement with HMRC whereby payment of monthly PAYE/NI was deferred to the post September 2020 lockdown, now fully repaid, and through the Company's existing bankers, Barclays, via HMG backed guarantees. On 6 July 2020 the Company drew down in full a £50,000 'Bounce Back Loan' not repayable until July 2021 over 5 years in 60 monthly instalments of £833. Under the terms of this loan, no repayments or interest is payable for the first year, with an applicable interest rate of 2.5% and there are no penalties for early repayment. Furthermore the Company benefitted from the HMRC Furlough Scheme relating to those staff who were unable to work during lockdown.

Whilst the Directors recognise that there is significant material uncertainty around going concern as a result of the current economic uncertainty and 2021 trading results, the accounts have still been prepared on a going concern basis, which is supported by confidence over the ability to raise sufficient funds through the issue of further equity should the need arise:

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 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.

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.

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2021

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.

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 2021

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 2021

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.

n. Government grants

Since the Lockdown imposed on 23 March 2020 in order to prevent the spread of Covid 19, the Company has been able to benefit from the Coronavirus Job Retention Scheme ('CJRS'), one of the Government's support measures for organisations during the pandemic. The CJRS offers grants up to 80% to a maximum of £2,500/month plus National Insurance and auto-enrolled pension contributions per employee, to cover the salary costs of those staff who have been furloughed. The Company received grants under the CJRS for the period from 23 March 2020 until 30 April 2021 for all applicable employees.

Income under this scheme is classified as a government grant and is accounted for under IAS 20 - Government Grants. Such grants are recorded in the Income Statement in the period in which the associated costs for which the grants are intended to compensate are incurred, and are reported as 'Other Income' in the Income Statement.

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:

	Effective date
- Revised Conceptual Framework for Financial Reporting	1 January 2020
- IAS1 and IAS8 (Amendment - Definition of Material)	1 January 2020
- IFRS 3 (Amendment - Definition of a Business)	1 January 2020

New and revised Standards and Interpretations in issue but not yet effective:

Narrow scope amendments to IFRS 3, IAS 16 and IAS 37	1 January 2022
Annual improvements in IFRS Standards 2018-2020	1 January 2022
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	1 January 2022

As yet, none of these have been endorsed for use in the UK and will not be adopted until such time as endorsement is confirmed. The Directors do not expect any material impact as a result of adopting the standards and amendments listed above in the financial year they become effective.

From 1 January 2021 the Company will apply UK-adopted IAS. At the date of application, both UK-adopted IAS and EU-adopted IFRS will be the same.

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.

	2021	2020
	(£)	(£)
Broking commissions and fees earned from corporate finance	399,929	476,743

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2021

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

	2021 (£)	2020 (£)
Operating lease rentals	23,319	37,844
Staff costs (Note 10)	279,811	279,318
Auditors' remuneration for audit services	16,500	9,900

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

Auditors' remuneration:		
- for non audit taxation	2,800	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 from vesting	1/3rd/year on anniversary date when beneficiary must remain employed.
Nov-20	5,768,115	23-Sep-19	1.25p	5 years from 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:

	2021 Number	2021 'WAEP'	2020 Number	2020 'WAEP'
Outstanding at start of the financial period	5,768,115	1.12p	5,768,115	1.12p
Granted during the period	4,354,927	1.25p	-	-
Exercised during the period	(2,780,096)	1.12p	-	-
Forfeited within the period	(276,870)	1.12p	-	-
Outstanding and exercisable at end of the financial period	<u>7,066,076</u>	1.20p	<u>5,768,115</u>	1.12p

The options granted in November 2018 generated a charge of £5,167 (2020: £17,014).

The options granted in November 2020 generated a charge of £8,589

In accordance with the requirements of IFRS 2 Share-based payments, the weighted average estimated fair value for the options granted was calculated as 1.12p or 1.25p 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%.

6. Other Income

	2021 (£)	2020 (£)
HMRC Furlough Claims	44,354	10,209

7. Finance Expenses

	2021 (£)	2020 (£)
Bank interest receivable	14	45
Other interest paid	(1,077)	(296)
Net Finance Expense	<u>(1,063)</u>	<u>(251)</u>

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8. Other gains and losses

	2021	2020
	(£)	(£)
Realised (losses) on equity investments	(1,476)	(1,492)
Unrealised gains/(losses) on equity investments	322,860	(10,211)
Unrealised gains/(losses) on warrants	89,132	(669)
	<u>410,516</u>	<u>(12,372)</u>

9. Tax

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

2021	2020
(£)	(£)
-	-
<u>-</u>	<u>-</u>
-	-
<u>-</u>	<u>-</u>
-	-
<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% (2020: 19%) to the loss before tax for the reasons set out in the reconciliations below:

Profit/(Loss) per financial information	245,886	(37,530)
Unrealised (gains)/losses on investments and warrants	(411,992)	10,880
Disallowed items	13,961	19,489
Losses carried forward	152,146	7,162
	<u>-</u>	<u>-</u>
Taxable profit	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>
Tax at 19% (2020: 19%)	<u>-</u>	<u>-</u>
	<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 2021 of approximately £3.2m (2020: £3.35m). 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.

10. Staff costs

Continuing operations

	2021	2020
	(£)	(£)
Wages and salaries	253,500	253,883
Social security costs	26,311	25,435
Severance payments	-	-
	<u>279,811</u>	<u>279,318</u>

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10. Staff costs (continued)

Directors' emoluments

The emoluments of the highest paid Director were: 180,000 189,750

The aggregate Directors' remuneration was: 220,253 228,919

The Group does not operate any form of pension scheme.

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

11. Earnings/ (loss) per share

Based on a gain/ (loss) of

Earnings (£)	Earnings (£)
245,886	(37,530)

Weighted average number of Ordinary Shares in issue
for the purpose of basic earnings per share

No. shares	No. shares
62,772,480	57,681,151

Weighted average number of Ordinary Shares in issue
for the purpose of diluted earnings per share - see also Note 5

70,626,730	57,681,151
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For the purpose of calculating diluted earnings per share in 2020, the options were currently 'under water' and highly unlikely to be exercised, therefore no dilution is anticipated.

12. Investments

Cost (£)

At 1 April 2019	287,861
Disposal	(506)
At 30 April 2020	<u>287,355</u>

At 30 April 2021	<u>287,355</u>
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Provision for impairment

At 1 April 2019	287,353
Provision in the year	-
At 30 April 2020	<u>287,353</u>

Provision in the year	-
At 30 April 2021	<u>287,353</u>

Net book value at 1 April 2019	508
Net book value at 30 April 2020	2
Net book value at 30 April 2021	2

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12. Investments (continued)

The Company's directly held subsidiary undertakings as at 30 April 2021 were:

<i>Subsidiary undertaking</i>	<i>Principal Activity</i>	<i>Country of Incorporation</i>	<i>Percentage of ordinary share capital held</i>
Marechale Limited	Dormant	England	100%
Marechale Capital Investments Ltd	Dormant	England	100%

	2021 (£)	2020 (£)
13. Investments under fair value through profit and loss		
Quoted investments	225	225
Unquoted investments	422,841	51,811
	<u>423,066</u>	<u>75,985</u>

Investments are initially valued at cost. At each reporting date these investments are measured at fair value with any gains or losses recognised the 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 2021 the Company had realised losses £1,476 offset by unrealised gains of £411,992 an overall net gain of £410,516 (2020: realised losses of £1,492 plus 'Covid 19' downward fair value adjustments of £10,880, an overall net loss of £12,372).

The Directors have considered the fair value adjustment made on the investments held at fair value through profit or loss, which along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and incorporating the ongoing impact of Covid-19 on the industry over which there remains material uncertainty.

	2021 (£)	2020 (£)
14. Investments under fair value through profit and loss		
Unquoted options and warrants	90,013	881
	<u>90,013</u>	<u>881</u>

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 13, second paragraph.

	2021 (£)	2020 (£)
15. Trade and other receivables		
Trade receivables	23,104	29,252
Other receivables	9,606	18,625
Prepayments and accrued income	17,890	14,113
	<u>50,599</u>	<u>61,990</u>

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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15. 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.

16. Cash and cash equivalents

	(£)	(£)
Cash held directly at UK Clearing Banks	233,287	157,232
	<u>233,287</u>	<u>157,232</u>

17. Trade and other payables

Trade payables	18,498	36,498
Other payables and accruals	33,169	37,451
Taxes and social security	9,547	39,568
	<u>61,213</u>	<u>113,517</u>

18. Borrowings

Bounce-back Loan repayable within one year	7,500	-
Bounce-back Loan repayable in the second to fifth year (inclusive)	42,500	-
	<u>50,000</u>	<u>-</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.

19. Share capital, Share premium

	Ordinary shares (number)	Issued share capital (£)	Share Premium (£)
New Ordinary shares of 0.8p			
Issued at 30 April 2020	57,681,151	461,449	-
Issued during the year*	22,780,096	182,241	85,247
Issued at 30 April 2021	<u>80,461,247</u>	<u>643,690</u>	<u>85,247</u>
 * Issued during the year			
Share Placing February 2021 at 1.25p/share	20,000,000	160,000	90,000
Expenses associated with the Placing			(13,650)
Exercise of options February 2021 at 1.12p/share	547,971	4,384	1,754
Exercise of options March 2021 at 1.12p/share	2,232,125	17,857	7,143
	<u>22,780,096</u>	<u>182,241</u>	<u>85,247</u>

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20. 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:

	2021 (£)	2020 (£)
<i>Leasehold Property</i>		
Within one year	5,920	31,600
	<u>5,920</u>	<u>31,600</u>
<i>Other Assets</i>		
Within one year	1,275	1,700
In the second to fifth year (inclusive)	-	1,275
	<u>1,275</u>	<u>2,975</u>

21.1 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 losses) which totalled £686,000 (2020: £158,600) 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 of €50,000 (£44,000), which it met at 30 April 2021 and 2020.

21.2 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 surplus in year ended 30 April 2022: nonetheless, at 30 April 2021, the Company held cash reserves equivalent to approximately six months' 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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22. 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 2021 (2020: 4%), BI is a related party through common directorship of Patrick Booth-Clibborn, a director of the Group.

The Company charged BI £7,650 for other services during the period ended 30 April 2021 (2020: £3,900).

At 30 April 2021 BI owed the Company £0 (2020: £1,100)

Directors

Patrick Booth-Clibborn

During the year, loans of £5,000 (2020: £5,000) were granted to Mr Booth-Clibborn which are repayable within one year and are included within trade and other receivables on the balance sheet.

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 2021 was £22,745 (2019: £22,100).

The group owed Shand £1,797 at 30 April 2021 (2020: £1,114).

23. Post balance sheet events

There are no post balance sheet events to report.