MARECHALE
CAPITAL

MARECHALE CAPITAL PLC

DIRECTORS' REPORT AND FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 APRIL 2023

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 80 Cheapside London EC2V 6EE
Registrars	SLC Registrars 40-50 Hersham Road Walton-on-Thames Surrey KT12 1RZ
Solicitors	Pinsent Masons LLP 30 Crown Place Earl Street London EC2A 4ES
Website	www.marechalecapital.com

MARECHALE CAPITAL PLC

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FOR THE YEAR ENDED 30 APRIL 2023

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

Financial Statements for the year ended 30 April 2023

Marechale Capital plc (AIM: MAC), an established City of London based corporate finance house with a long-term track record and a strong reputation for advising and financing high growth consumer brands, leisure, clean energy and technology companies in the UK and Europe, is pleased to announce its audited final results for the year ended 30 April 2023 (the "Period"). Marechale also uses its balance sheet to co-invest in its client companies, along with warrants and founder equity, in order to create shareholder value.

As reported in the interim results statement announced in December 2022, it has been a challenging year generally, particularly in the hospitality sector, as a number of businesses navigated a continuing period of market uncertainty, with increased overheads caused largely by inflation driven wage rises, compounded by general staff shortages, and high energy costs, particularly over the winter period. Furthermore, customer discretionary spending is also being squeezed. However, against this challenging backdrop, there are significant market opportunities for Marechale's clients.

The Company entered the Period with good levels of business activity and funded clients in both the hospitality sector, as well as clients in other high growth sectors. Completed projects last year included raising further equity funding for the European telecommunications technology company, Fast2Fibre, and additional funding for Weardale Lithium, Chestnut Group - the leading East Anglian Inn Group, and Forest Road Brewing Company, the award-winning London craft brewer.

Marechale continues to generate professional services income by providing advice to its clients. In the last year this included strategic and funding advice for Chestnut Group and Burgh Island. All of the fundraisings were at premiums to Marechale's equity and warrant holdings investment value.

In the clean energy space, general market uncertainty has impacted some of our corporate clients whose progress has been delayed and resulted in some investee and advisory company exits being postponed. However, we are pleased to report the exit of our investment in Future Biogas, the leading UK farm crop anaerobic digestion biogas business, after its acquisition by 3i. We also report that Burgh Island, both an investee and advisory client, is for sale

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

Weardale is Marechale's largest investment, holding 500,000 founder shares and 20,822 options with a combined value of £2.8 million based on the last funding round in July 2022, which has been recorded in the balance sheet. Weardale has secured mineral extraction rights in Co. Durham via existing boreholes where there is proven lithium in the brine hundreds of feet below the surface. Marechale remains optimistic for a positive future outcome on this investment.

Investments and warrants in client companies generated losses of £52,000 (2022: gain of £2,716,000). It is worth noting that we have £770,000 of unused capital tax losses to offset against any possible future tax liability on realisation of gains.

During the last year, Marechale generated revenue of £376,000 (2022: £622,000), and, although our gross profit margin decreased from 53% to 32%, due to high 3rd party commissions associated with one particular client, administrative expenses remained steady at £488,000 (2022: £483,000).

In summary, we announce a net loss for the year of £426,000 (2022: profit of £2,562,000): however, as noted above, 2022's profits included £2,716,000 unrealised investment gains. During the same period, Marechale's balance sheet value has only marginally decreased to £3,227,000 (2022: £3,630,000) representing Net Asset Value/Share of 3.4p (2022: 3.8p).

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

One of the most recent strategic events is to welcome Chris Kenning as a with his strategic investment of 9.9% of the Company in June 2023. As announced at the time, the plan is to digitise Marechale's activities and continue to develop strategic partnerships with the objective of enhancing shareholder value.

Whilst the current economic climate remains challenging, the Board considers that the Company has sufficient cash reserves for its current requirements and remains positive about the investments that it holds in its client companies, and is 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 as the Board and Management Team continue to use Marechale's proven track record as a corporate finance adviser in the £5-50 million Enterprise Value PE sector for new projects and partnerships.

M. W

Mark Warde-Norbury
Chairman
21 August 2023

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, the entire team meets every Monday morning by Zoom to discuss client-facing projects and to manage the demands of a PLC; lines of communication are kept short. With the exception of the CEA, all the staff are 'seasoned professionals' in their fields, the average age being more than 60 years. The corporate culture reflects that cumulative experience without the need for detailed day-to-day supervision. The corporate strategy and objectives are determined by the Board of Directors. The management of risk, and take-on of new clients, are determined by the Chief Executive. The Board of Directors meets regularly and the agenda always includes consideration of the key challenges and how to address these in executing its strategy. The Remuneration and Audit Committees, meet at least once a year, as part of the risk management process.

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

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

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

Board of Directors

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

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.

Risk management

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

Information Systems

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

Going concern

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

The company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however as at the year end the company had £283k of cash reserves (2022: £414k) which as at that date equated to approximately 7 months of overheads. Whilst the company generated operating losses of £372k in the financial year (2022: £153k) the directors remain confident that the project pipeline will generate sufficient income on top of the cash reserves in order to meet the company's liabilities as they fall due over the next twelve months. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investments and/or warrants and deferral of directors' salaries.

Valuation of investments including options

The Directors have considered the fair value adjustment made on the investments held at fair value through profit or loss. As discussed in Notes 12 and 13, in 2023 a net downward fair value adjustment on the investments and options was made to the total of £52,000, an in 2022 a net upward adjustment of £2,716,000, consisting of positive adjustments of £2,806,000 uplift on Weardale Lithium Limited, offset by net negative adjustments on other companies. This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and reliable information such as recent fundraising. There is however inherent uncertainty when valuing private companies such as these in the natural resources sector.

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

M. W

Mark Warde-Norbury
Director
21 August 2023

Principal Activity

The Company provides advice and broking services to companies.

Review of the Business

Please see the Chairman's Statement.

Position at 30 April 2023

The Balance Sheet at 30 April 2023 is set out on page 26.

The negative movement in Equity Investments consists of £227,000 proceeds from realisations plus £18,000 realised losses plus £18,000 downward fair value adjustments.

The movement in Warrants consists of £32,000 additions less £48,000 downward fair value adjustments.

Trade and other receivables have increased by £32,000 reflecting minor timing differences.

Cash and cash equivalents have decreased by £131,000 (2022: increased, £181,000) as more fully described in the Cash Flow Statement.

Net assets at 30 April 2023 stood at £3.2m compared to £3.6m at 30 April 2022, as a result of losses as more fully explained in the Statement of Changes in Equity.

Future Developments

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

Principal Risks and Uncertainties

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

S172(1) Statement

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

The Board have identified the following Key Stakeholders:

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

Company inputs -

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

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

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

Marechale raises funds for its investee clients both directly from investors and other financial institutions, and indirectly through IFA's, 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.

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 2023 no new investments were made, however in 2022 the Company:

- invested £22,000 in interest bearing Loan Notes and £21,000 in new equity,
- invested £500 in founder shares whose fair value is £2.75m reflecting Marechale's critical input in creating the business deal, in addition to which benefitted from a fair value adjustment to options of £56,000,

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, added to which each investor will have his own personal needs. 'Timing' is important because of each investor's capacity and/or appetite to invest, over which Marechale has little or no control. Two painful examples of the latter are the effects of 'Brexit', and of Covid 19, have had on the investment community where 'uncertainty' results in non-investment.

Shareholders –

Three Directors own 22.3% of Marechale's shares, plus Options over a further 12.8%, therefore their interests are closely aligned with all other shareholders. There are three 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.

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.

S172(1) Statement (continued)

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.

M. W

Mark Warde-Norbury

Director

21 August 2023

MARECHALE CAPITAL PLC
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 APRIL 2023

The Directors present their report together with the audited financial statements of the Company for the year ended 30 April 2023.

Results

As more fully described on page 25, the Company achieved a loss of £426,000 (2022: Profit £2,562,000).

Dividends

The Directors do not recommend the payment of a dividend for the current year (2022: £nil).

Key Performance Indicators

1. To achieve sufficient revenue to deliver an Operating Profit which was frustrated by the 'Cost of living crisis' and therefore not achieved. Operating loss for the year ended 30 April 2023 was £372,481 (2022: £153,558).
2. To deliver a Profit before tax which was not achieved. Loss before tax for the year ended 30 April 2023 was £425,516 (2022: profit before tax of £2,561,237).
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 2022 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 2023	At 30 April 2022
Mark Warde–Norbury	11,282,902-11.8%	11,282,902-11.8%
Lord Flight	388,060 – 0.4%	388,060 – 0.4%
Patrick Booth-Clibborn	9,660,198 – 10.1%	9,660,198 – 10.1%

Options on 0.8p Ordinary Shares	**At 30 April 2023**	**At 30 April 2022**
Mark Warde–Norbury	1,315,217 – 1.4%	865,217 – 1·1%
Lord Flight	-	-
Patrick Booth-Clibborn	10,900,859 -11.4%	6,200,859 – 7.7%

On 5 December 2022, 4,700,000 further options were granted to Mr Booth-Clibborn and 450,000 to Mr Warde-Norbury.

The remuneration of the Directors was as follows:

	30 April 2023 £	**30 April 2022** £
Mark Warde–Norbury	30,000	30,000
Lord Flight *	8,500	8,500
Patrick Booth-Clibborn	180,000	180,000

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

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

Options over 1.25% of the company's share capital were approved but have not yet been granted.

Substantial Shareholders

As at 3 August 2023 (being the last practical date prior to the date of this document) and save as set out below, the Company was not aware of any person, who, other than the Directors, directly or indirectly, had an interest representing 3 per cent or more of the issued ordinary share capital in the Company (being the threshold at or above which, in accordance with the provisions of Section 5 of the Disclosure and Transparency Directive published by the FCA, any interest must be disclosed by the Company):

3% or more shareholders (excluding Directors)	***No. shares***	***%***
		%
Mr B Reynolds	9·600,000	9·0%
Mr L Johnson	8 000,000	7·6%
Mr C.Kenning	10,480.000	9 9°

Directors' Responsibilities

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

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

- select suitable accounting policies and then apply them consistently, making judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking steps for the prevention and detection of fraud and other irregularities.

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

Directors' and Officers' Insurance

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

Statement of Disclosure to the Auditors

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

MIFIDPRU Public disclosure

In accordance with MIFIDPRU 8 of the FCA's Handbook, the Company has prepared information on its risk management objectives and policies, governance arrangements, own funds requirements and remuneration policy and practices. This information is available on the Company's website.

Post balance sheet events

On 28 June 2023 the Company issued 10,480,000 shares at 2.25p/share raising £235,800.

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

21 August 2023

UHY Hacker Young
Chartered Accountants

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

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

Opinion

We have audited the financial statements of Marechale Capital Plc (the "Company") for the year ended 30 April 2023, which comprise the Income Statement, the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Cash Flow Statement, and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion the financial statements:

- give a true and fair view of the state of the Company's affairs as at 30 April 2023 and of the loss for the year end then ended;
- have been properly prepared in accordance with UK adopted International Accounting Standards; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to Going concern

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

The company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however as at the year end the company had £283k of cash reserves (2021: £414k) which as at that date equated to approximately 7 months of overheads. Whilst the company generated operating losses of £372k in the financial year (2021: £153k), the directors remain confident that the project pipeline will generate sufficient income on top of the cash reserves in order to meet the company's liabilities as they fall due over the next twelve months. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investments and/or warrants and deferral of directors' salaries.

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

Evaluation of management assessment

Our evaluation of the director's assessment of the entity's ability to continue to adopt the going concern basis of accounting 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.
- Compared the prior period forecast against current period actual performance to assess management's ability to forecast accurately.
- 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 or costs that would need to occur to push the Company into a cash negative position.
- We also reviewed the disclosures relating to going concern basis of preparation and found that these provided an explanation of the directors' assessment that was consistent with the evidence we obtained.

Key observations:

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the entity's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue. However, clear and full disclosure of the facts and the directors' rationale for the use of the going concern basis of preparation, 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 adjustments made by the directors on the investments held at fair value through profit or loss. As discussed in Notes 12 and 13, a downward fair value adjustment on the investments and warrants was made during the year of £52k (2022: £2.7m gains net of losses) of which £34k relates to unrealised losses. This along with other valuations are estimates based on the Directors' assessment of the performance of the underlying investment and reliable information such as recent fundraising. There is however inherent uncertainty when valuing private companies such as these in the natural resources sector. As explained further in our Key Audit Matter in regard to the valuation of these estimates we consider there is uncertainty in respect of these valuations, however our opinion is not qualified in respect of this matter.

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

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:

UHY Hacker Young
Chartered Accountants

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

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 to in exchange for the services. The revenue stream is primarily derived from advisory services paid via a retainer for ongoing advice and success fees on the successful fund raising. Both are significant to the financial statements and an error in the calculation of the recognition criteria would likely lead to a material error. 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 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: • Selecting a sample of revenue transactions to test substantively for occurrence. This included reviewing the stage of completion of each engagement tested and assessing whether the correct amount of revenue had been recognised and whether it was recognised within the correct period. • 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.
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	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.

Key audit matters	How our audit addressed the key audit matters
an early stage of development and are typically illiquid. The ongoing impact of the Ukraine War and cost of living crisis 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.	• 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 basis and challenging management's assumptions by applying 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 due to the nature of valuing private companies.. In the year the Company has revalued both equity investments and warrants based on the evidence available to them, primarily based on observable inputs such as recent transaction prices. The most significant investment held is in Weardale Lithium Limited at £2.8m. The valuations are based upon the latest fund raisings and a broker's valuation. Whilst this approach is considered reasonable in the circumstances, it requires a number of 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 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.

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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 £23,350 (2022: £18,600)
How we determine it	Based on the main key indicators, being 5% of a three year average of revenue given the volatility of income year-on-year.
Rationale for benchmarks applied	We believe that 5% of revenue is the most appropriate due to level of activity, 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 that is a key performance indicator.
Performance materiality	£17,500 (2022: £13,950)
	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 £17,500 (2022: £13,950).
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 (2022: £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.

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 course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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- 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.

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 and the FCA 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 misstated operating result.

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.

James Astley (Senior Statutory Auditor)
For and on behalf of **UHY Hacker Young**
Chartered Accountants
Statutory Auditor

Quadrant House
4 Thomas More Square
London
E1W 1YW

21 August 2023

Marechale Capital Plc
Income Statement
Year ended 30 April 2023

		Notes	Year ended 30-Apr 2023 (£)	Year ended 30-Apr 2022 (£)
Continuing operations				
Revenue		4	375,726	621,573
Cost of sales			(260,581)	(291,632)
Gross profit			115,145	329,941
Administrative expenses			(487,626)	(483,499)
Operating loss		5	(372,481)	(153,558)
Finance expense		6	(912)	(876)
Other (losses)/ gains		7	(52,124)	2,716,237
(Loss)/profit before tax			(425,516)	2,561,803
Taxation		8	-	-
(Loss)/ profit for the year on continuing operations			(425,516)	2,561,803
Earnings per share			**(Pence)**	**(Pence)**
Basic	- Continuing operations	10	(0.45)	2.95
	- Diluted	10	(0.40)	2.70

Statement of Comprehensive Income

(Loss)/ profit for the year on continuing operations	(425,516)	2,561,803
Total recognised comprehensive profit (all attributable to owners of the company)	(425,516)	2,561,803

Marechale Capital Plc
Balance Sheet
As at 30 April 2023

	Notes	Year ended 30-Apr 2023 (£)	Year ended 30-Apr 2022 (£)
Current assets			
Investment in subsidiary	11	2	2
Equity investments at fair value through profit and loss	12	2,862,653	3,125,189
Warrants at fair value through profit and loss	13	130,076	146,589
Trade and other receivables	14	75,933	43,778
Cash and cash equivalents	15	282,795	413,970
Total current assets		3,351,459	3,729,528
Total assets		3,351,459	3,729,528
Current liabilities			
Trade and other payables	16	(91,558)	(57,368)
Borrowings	17	(10,000)	(10,000)
Total current liabilities		(101,558)	(67,368)
Net current assets		3,249,902	3,662,160
Long-term liabilities			
Borrowings	17	(22,500)	(32,500)
Net assets		3,227,402	3,629,660
Equity			
Capital and reserves attributable to equity shareholders			
Share capital	18	763,690	763,023
Share premium	18	329,330	328,413
Reserve for own shares		(50,254)	(50,254)
Reserve for share based payments		83,988	62,313
Retained profits/(losses)		2,100,648	2,526,165
		3,227,402	3,629,660

The financial statements were approved by the Board of Directors and authorised for issue on 21 August 2023.
They were signed on its behalf by:

M. W

Mark Warde-Norbury
Director

Company No: **03515836**

Marechale Capital Plc
Statement of Changes in Equity
Year ended 30 April 2023

	Share capital	Share premium	Reserve for own shares	Reserve for share based payments	Retained earnings
Company					
Balance at 30 April 2021	**643,690**	**85,247**	**(50,254)**	**42,709**	**(35,638)**
Total comprehensive income					
Profit for the financial year	-	-	-	19,604	2,561,803
Issued in year*	119,333	243,166	-	-	-
Total comprehensive income	119,333	243,166	-	19,604	2,561,803
Balance at 30 April 2022	**763,023**	**328,413**	**(50,254)**	**62,313**	**2,526,165**
Total comprehensive income					
(Loss) for the financial year	-	-	-	21,675	(425,517)
Issued in year*	667	917	-	-	-
Total comprehensive income	667	917	-	21,675	(425,517)
Balance at 30 April 2023	**763,690**	**329,330**	**(50,254)**	**83,988**	**2,100,648**

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

Marechale Capital Plc
Cash Flow Statement
Year ended 30 April 2023

	Note	Year ended 30-Apr 2023 (£)	Year ended 30-Apr 2022 (£)
Net cash from operating activities			
(Loss)/profit before tax		(425,516)	2,561,803
Reverse provision for share based payments		21,676	19,603
Reverse losses/ (gains) on fair value investment through profit and loss		16,513	(2,716,237)
Reverse losses on disposal of investments		18,075	0
Reverse net interest expense		912	876
Operating cash outflows before movements in working capital		(368,341)	(133,955)
Movement in working capital			
(Increase)/decrease in receivables		(32,157)	6,822
Increase/(decrease) in payables		34,190	(3,845)
Tax paid		-	-
		2,033	2,977
Cash outflow from operating activities		(366,308)	(130,978)
Investment activities			
Interest received		0	(1)
Expenditure on equity investments		0	(42,462)
Proceeds from sale of equity investments through profit and loss		226,925	0
Cash inflow/(outflow) from investing activities		226,925	(42,463)
Financing			
Issue of ordinary share capital		1,584	362,500
Repayment of borrowings		(10,000)	(7,500)
Interest payable		(912)	(876)
Cash inflow from financing activities		(9,328)	354,124
Net increase in cash and cash equivalents		(148,711)	180,683
Cash and cash equivalents at start of the financial year		413,970	233,287
Cash and cash equivalents at end of the financial year	16	282,795	413,970

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2023

1. General information

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

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

2. Significant accounting policies

a. Going concern

In establishing the applicability of the going concern basis, the Directors have made enquiries as to the financial resources of the Company. The Company has unpredictable revenue due to the nature of corporate finance advisory and the reliance upon deal-driven transactions, however as at the year end the company had £283k of cash reserves (2022: £414k) which as at that date equated to approximately 7 months of overheads. Whilst the company generated operating losses of £372k in the financial year (2022: £153k) the directors remain confident that the project pipeline will generate sufficient income on top of the cash reserves in order to meet the company's liabilities as they fall due over the next twelve months. Furthermore, there is the ability to fund working capital by equity issues, sales of equity investments and/or warrants and deferral of directors' salaries.

b. Basis of accounting

These financial statements have been prepared in accordance with UK Adopted International Reporting Standards ('IFRS'). IFRS Interpretations Committee ('IFRS IC') interpretations and the Companies Act 2006 applicable to companies reporting under IFRS.

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

The Directors have chosen not to prepare consolidated accounts because the two subsidiaries, Marechale Ltd and Marechale Capital Investments Ltd, are both dormant, have never traded, and therefore highly immaterial to the financial statements.

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

2. Significant accounting policies (continued)

The principal accounting policies are set out below.

c. Financial risk management objectives and policies
The Company's principal financial assets are cash and cash equivalents, trade and other receivables and investments. The Company's credit risk is primarily attributable to its trade receivables and its market risk is primarily attributable to its investments. The amounts presented in the Balance Sheet are net of allowances for expected credit losses on receivables.

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

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

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

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

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

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

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

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

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.

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.

3. New IFRS standards and interpretations
At the date of authorisation of these financial statements, the company has not early adopted the following amendments to Standards and Interpretations that have been issued but are not yet effective:

Standard or Interpretation	**Effective for annual periods commencing on or after**
Amendment to IAS 1 and IFRS Preactice Statement 2: Disclosure of Accounting Policies	01-Jan-23
Amendments to IAS 8: Definition of Accounting Estimates	01-Jan-23
Amendments to IAS 12: Deferred Tax Related to Assets and Liabilities arising from a Single Transaction	01-Jan-23
Amendments to IAS 1: Classification of Liabilities as Current or Non-Current	01-Jan-24
Amendments to IFRS Leases: Liability in a Sale and Leaseback	01-Jan-24

As yet, none of these have been endorsed for the 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.

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.

	2023 (£)	**2022 (£)**
Broking commissions and fees earned from corporate finance	375,726	621,573

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

	2023 (£)	**2022 (£)**
Operating lease rentals	19,810	19,583
Staff costs (Note 9)	269,735	287,148
Auditors' remuneration for audit services	31,000	17,000

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

Auditors' remuneration:	- for non audit FCA compliance	1,500	1,500

Notes to the financial statements
Year ended 30 April 2023

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

Share-based payments:

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

Scheme	Number	Date approved	Exercise price	Maximum term	Vesting conditions
Nov-18	5,768,115	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	As above	As above
Dec-22	6,950,000	*See Note*	2.05p	As above	As above

Note, the 2018 and 2019 AGM's both approved options up to 10% of the issued share capital. Since those dates a further 37.8m shares have been issued of which a further 20% will be available to be issued as options

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

	2023 Number	2023 'WAEP'	2022 Number	2022 'WAEP'
Outstanding at start of the financial period	8,316,076	1.30p	7,066,076	1.20p
Granted during the period	6,950,000	2.05p	1,250,000	1.85p
Exercised during the period	(83,333)	1.90p	0	
Forfeited within the period	(166,667)	1.90p	0	
Outstanding and exercisable at end of the financial period	15,016,076	1.64p	8,316,076	1.30p
Date of grant	Nov-18	Nov-20	Oct-21	Dec-22
Charge in year ended 30 April 2023	291	5,928	1,750	13,707
Charge in year ended 30 April 2022	2,030	12,823	4,750	
Charge in year ended 30 April 2021	5,167	8,589	0	

In accordance with the requirements of IFRS 2 Share-based payments, the weighted average estimated fair value for the options granted was calculated at the exercise prices per option (listed above) using a Black Scholes option pricing model. The volatility measured as the standard deviation of expected share price return is based on statistical analysis of the share price for the twelve months prior to the dates of grant. The risk free rate has been taken as 4%.

6. Finance Expenses	**2023 (£)**	**2022 (£)**
Bank interest paid	(912)	(876)
Net Finance Expense	(912)	(876)

7. Other gains and losses	**2023 (£)**	**2022 (£)**
Realised (losses) on equity investments	(18,075)	0
Unrealised gains on equity investments	(17,536)	2,659,661
Unrealised (losses)/ gains on warrants	(16,513)	56,576
	(52,124)	2,716,237

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2023

8. Tax	2023 (£)	2022 (£)
The tax charge comprises:		
Mainstream UK corporation tax deriving from profits for the prior financial year	-	-
Total current tax	-	-
Deferred tax		
Charge in respect of timing differences	-	-
Total deferred tax	-	-
Total tax on (loss) from ordinary activities	-	-

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

Tax of 19% (2022: 19%) to the loss before tax for the reasons set out in the reconciliations below:

	2023 (£)	2022 (£)
Profit/(Loss) per financial information	(425,516)	2,561,803
Unrealised (gains)/losses on investments and warrants	34,588	(2,716,237)
Disallowed items	24,190	23,256
Losses carried forward	366,739	131,178
Taxable profit	-	-
Tax at 19% (2022: 19%)	-	-
Tax expense for the year	-	-

The Company had trading losses available to carry forward at 30 April 2023 of approximately £3.8m (2022: £3.4m). No deferred tax has been recognised in respect of the accumulated loss as there was insufficient evidence available as to the timing of any future recovery.

9. Staff costs	2023 (£)	2022 (£)
Continuing operations		
Wages and salaries	241,410	257,521
Social security costs	26,083	26,706
Pension costs	2,242	2,921
	269,735	287,148
Directors' emoluments		
The emoluments of the highest paid Director were:	180,000	180,000
Pension contributions of the highest paid Director were:	1,700	1,700
The aggregate Directors' remuneration was:	220,500	220,253

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

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

10. Earnings per share	**Earnings (£)**	**Earnings (£)**
Based on Profit for the year.	(425,516)	2,561,803
	No. shares	**No. shares**
Weighted average number of Ordinary Shares in issue for the purpose of basic earnings per share	95,419,581	86,947,358
Weighted average number of Ordinary Shares in issue for the purpose of diluted earnings per share - see also Note 5	107,664,823	94,784,268

11. Investments

Cost	**(£)**
At 1 April 2021	287,355
Additions/ (Disposals)	-
At 30 April 2022	287,355
Additions/ (Disposals)	-
At 30 April 2023	287,355
Provision for impairment	
At 1 April 2021	287,353
Provision in the year	-
At 30 April 2022	287,353
Provision in the year	-
At 30 April 2023	287,353
Net book value at 1 April 2021	**2**
Net book value at 30 April 2022	**2**
Net book value at 30 April 2023	**2**

The Company's directly held subsidiary undertakings as at 30 April 2023 were:

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

	2023 (£)	**2022 (£)**
12. Investments under fair value through profit and loss		
Quoted investments	225	225
Unquoted investments	2,862,428	3,124,964
	2,862,653	3,125,189

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.

12. Investments under fair value through profit and loss (continued)

In 2023 the Company had £18,075 realised losses and £17,536 unrealised losses. In 2022 the Company had zero realised gains or losses and net unrealised gains of £2,660,000, of which £2,806,000 came from WeardalLithium Limited.

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

	2023 (£)	2022 (£)
13. Investments under fair value through profit and loss		
Unquoted options and warrants	130,076	146,589
	130,076	146,589

Warrants which have been received as consideration for corporate finance services rendered have been valued at fair value where either the share price has been established according to most recent share sales, or the share price for current funds raised is materially higher than the exercise price of those options. Resultant gains or losses are recognised through profit and loss. See also Note 12, third paragraph.

The Company had unrealised losses in 2023 of £16,513, and unrealised gains in 2022 of £56,576.

14. Trade and other receivables	2023 (£)	2022 (£)
Trade receivables (net of provision)	46,535	14,593
Other receivables	12,290	9,243
Prepayments and accrued income	17,109	19,941
	75,934	43,777

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

14. Trade and other receivables (continued)

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

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

15. Cash and cash equivalents	2023 (£)	2022 (£)
Cash held directly at UK Clearing Banks	282,795	413,970
	282,795	413,970

16. Trade and other payables	2023 (£)	2022 (£)
Trade payables	35,189	18,488
Other payables and accruals	49,039	30,379
Taxes and social security	7,330	8,501
	91,558	57,368

17. Borrowings	2023 (£)	2022 (£)
Bounce-back Loan repayable within one year	10,000	10,000
Bounce-back Loan repayable in the second to fifth year (inclusive)	22,500	32,500
	32,500	42,500

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

18. Share capital, Share premium

New Ordinary shares of 0.8p	Ordinary shares (number)	Issued share capital (£)	Share Premium (£)
Issued at 30 April 2021	80,461,247	643,690	85,247
Issued during the year*	14,916,667	119,333	243,166
Issued at 30 April 2022	95,377,914	763,023	328,413
Issued during the year**	83,333	667	917
Issued at 30 April 2023	95,461,247	763,690	329,330

* Issued during the year			
Share Placing September 2021 at 2.0p/share	8,000,000	64,000	96,000
Share Placing March 2022 at 3.0p/share	6,916,667	55,333	152,166
Expenses associated with the Placing			(5,000)
	14,916,667	119,333	243,166
** Issued during the year - exercise of options	83,333	667	917

Marechale Capital Plc
Notes to the financial statements
Year ended 30 April 2023

19. Operating leases

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

	2023 (£)	2022 (£)
Leasehold Property		
Within one year	6,128	5,920
	6,128	5,920
Other Assets		
Within one year	1,750	1,700
In the second to fifth year (inclusive)	1,750	1,275
	3,500	2,975

20.1 Capital Risk Management

The Company is not reliant on debt finance, its operations currently being funded by equity finance (comprising share capital, other reserves, and retained profits) which totalled £3,227,000 (2022: £3,630,000) at the year end. The Company regularly monitors its capital needs to ensure that sufficient funding is available for its operational needs.

As an FCA regulated business (which does not hold client money or assets), the Company has to ensure that it maintains minimum regulatory capital and liquid assets threshold of £125,000 (2022: £120,000), which it met at 30 April 2023 and 2022.

20.2 Financial Risk Management

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

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

Liquidity Risk
The Company anticipates a modest cash-flow loss in year ended 30 April 2024: nonetheless, at 30 April 2023, the Company held cash reserves equivalent to approximately eight 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.

21. Related party transactions

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

Burgh Island Holdings Ltd ('BI')
The Company owned 10,640 shares, 4% in BI at 30 April 2023 (2022: 4%), BI is a related party through common directorship of Patrick Booth-Clibborn, a director of the Group.
The Company charged BI £2,550 (2022: £13,200) for other services during the period ended 30 April 2023.
At 30 April 2023 BI owed the Company £0 (2022: £0)

Weardale Lithium Ltd ('Weardale')
The Company owned 500,000 shares, 8.5 % in Weardale at 30 April 2023 (2022: 8.7%), and has benefitted from options of 24,712 (2022: 22,422). Weardale was a related party through the common directorship of Mark Warde-Norbury who resigned on 12 January 2023, a director of the Group. The Company charged Weardale £29,570 (2022: £140,400) for other services during the period ended 30 April 2023. At 30 April 2023 Weardale owed the Cmpany £0 (2022: £0).

Directors

Patrick Booth-Clibborn
During the year, a travel advance of £5,000 (2022: £5,000) was extended to Mr Booth-Clibborn which is repayable within one year and is included within trade and other receivables on the balance sheet.

Disclosure of control

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

Key management personnel

The key management personnel consist of the Directors, whose remuneration is disclosed in the Directors' Report, and the Company Secretary/Financial Officer, Shand FD Ltd ('Shand') whose remuneration in 2023 was £25,261 (2022: £25,156). The group owed Shand £1,725 at 30 April 2023 (2022: £2,012).

22. Post balance sheet events
On 28 June 2023 the Company issued 10,480,000 shares at 2.25p/share raising £235,800.