

Registered number: 14105915

Macaulay Capital Plc
Annual Report and Financial Statements
for the year ended 31 December 2024

Macaulay Capital Plc

COMPANY INFORMATION

Directors Lindsay K A Mair (Non-executive Chairman)
David A Horner (Managing Director)
Richard H Bucknell (Chief Investment Officer)

Company Secretary & Registered Office ISCA Administration Services Limited
The Office Suite
Den House
Den Promenade
Teignmouth
TQ14 8SY

Company number 14105915

Registrars Share Registrars
3 The Millennium Centre
Crosby Way
Farnham
GU9 7XX

Independent auditor Hazlewoods LLP
Staverton Court
Staverton
Cheltenham
GL51 0UX

Bankers C Hoare & Co
37 Fleet Street
London
EC4P 4DQ

AQSE Symbol	MCAP
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Macaulay Capital Plc

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Macaulay Capital Plc

Chairman's Statement For the Year Ended 31 December 2024

Introduction

These annual accounts are our second full year since our admission to trading on the Aquis Stock Exchange Growth Market in July 2022, when we raised a total of £2 million before costs, at 20p per share.

Our business is the provision of growth and replacement capital to established private companies, both directly and from investors whom we introduce. This helps these companies to finance their future development and facilitate partial exits for founder investors, as well as incentivising the management teams through equity ownership.

Financial results

2024 was a disappointing year for us as, whilst we completed two transactions for portfolio companies, we made no new company investments and also incurred abort costs on two potential investments that did not complete. Also, and perhaps most significantly when comparing 2024 with 2023, our revenues in 2023 included fees payable to us of £211,751 resulting from the sale of shares in one of our portfolio companies, Qualification Check Limited, whereas no such fees were payable in 2024. Overall and as a result of the above, our revenues in 2024 were lower at £277,447 than in the previous year (2023: £539,225), and we incurred losses of £500,474 (2023: £76,195).

Our perception of 2024 was that, other than a spike of activity in the run-up to the Autumn Budget as owners sought to avoid rumoured changes to CGT, deal activity was muted. Also and more relevantly to us, some private investors did not have the confidence to make long-term investments in unquoted companies as uncertainty prevailed, firstly, ahead of the General Election and, secondly, ahead of the Autumn Budget.

We were nevertheless able to agree terms on two excellent investment opportunities, on which we largely completed due diligence. However, neither completed - in the case of one, because the company was unable to get confirmation from HMRC that EIS relief would be available, and in the case of the other, because of the size of the investment required.

Within our existing portfolio, in October 2024, Vale Foods repaid the loan of £125,000 (plus interest) made by us to it in December 2023. At the same time and as part of a wider fund raising by Vale Foods, we invested £125,000 (i.e. the same amount) in a combination of 8% loan stock (£114,247) and shares (£10,753). The new shares were issued at a price 20% higher than that of our initial investment, which led to a small increase in the value of our initial holding.

Also within our existing portfolio and in October 2024, we lent one of our portfolio companies £100,000 as part of a total loan of £200,000. The loan is repayable after six months with a 20% redemption premium.

Our costs were higher in 2024 (£781,361) than in 2023 (£613,501) due principally to the abort costs to which I referred earlier, which amounted to £125,377 plus VAT, and also to increases in payroll and office costs.

Our balance sheet remains strong and at 31 December 2024, our net assets stood at £2,136,337 (2023: £1,361,811), which included investments valued at £1,028,440 (2023: £900,000) and cash of £996,376 (2023: £338,484).

Macaulay Capital Plc

Chairman's Statement For the Year Ended 31 December 2024

In December 2024, Harry and Tom Horner (the adult sons of David Horner) exercised a total of 5,100,000 of their unconditional founder warrants at 25p per share, raising £1,275,000, of which £500,000 was used to repay the loan previously made by David Horner to the Company. Harry and Tom Horner retain a total of 900,000 unconditional founder warrants, also exercisable at 25p per share and which must be exercised by 31 December 2025, although the Company may require that some or all be exercised at any time before then.

In October 2024, David Horner purchased 250,000 on the market existing shares at 20p per share, and the Horner Family remains the largest shareholder with a total of 7,650,000 shares (50.7%).

Portfolio companies

We have seven portfolio companies. Of these, we identified three – Vale Foods Holdings Limited, New Star Industries Limited and Kelda Showers Limited - and helped to agree the terms and structure of the transaction as well as arranging some or all of the investment.

Vale Foods Holdings Limited, which trades as Devonvale, is a manufacturer of flapjacks, cakes and cereal bars based in Honiton, Devon and was our first investee company. In May 2022, ahead of joining Aquis, we raised £1 million in a combination of ordinary shares (£86,000 for 40% of the equity) and unsecured loan notes (£914,000). Of the £1 million, we invested £200,000, which includes an equity interest (£17,200), alongside 8% loan stock (£182,800). In October 2024 and as noted earlier, we invested a further £125,000, in a combination of 8% loan stock (£114,247) and shares (£10,753).

New Star Industries Limited, which trades as Camloc, is an established Midlands-based precision engineering business which manufactures compression struts and dampers. This was our second transaction, in March 2023, and was a secondary buy-out from a private equity fund. We invested £700,000 out of a total fund raising of £1.55 million, giving us a 23.8% equity interest. Whilst we may look to sell down up to £500,000 of our investment to other investors at some point, 96.6 per cent. of our investment is in 8% loan stock, which means that we are earning a significant return on our investment.

Kelda Showers Limited is a company which has developed a disruptive water and energy-saving solution to the shower market. In June 2023 we arranged a transaction where we raised £940,000, all in ordinary shares and eligible for EIS, in which Kelda's management and existing shareholders participated, together with new investors. On this occasion, the Group did not itself invest as the investment was entirely in ordinary shares and the Group would not have been eligible for EIS relief. Kelda completed a small follow-on investment round in December 2024 of £350,000, which included some investment from investors we had introduced.

In addition to the above three companies, we manage an investment portfolio of four private companies previously managed by Chelverton Asset Management Limited ("CAM"). Under the agreements with the relevant companies, we are responsible for monitoring their performance on behalf of investors introduced by CAM. This includes a board position, for which we are entitled to monthly management fees and potential performance fees on exit.

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Chairman's Statement For the Year Ended 31 December 2024

Strategy

We target smaller private companies with an enterprise value of £2-10 million, with proven businesses which have established niches or developed other defensible qualities that enable them to maintain and grow their activities over an extended period of time. We are thus different from many private equity funds who seek to invest in larger companies, in high growth sectors often with novel or disruptive business models.

In addition, because the sector that we target is of less interest to many investors and thus less competitive, we are able to make investments at attractive valuations. Where we are able to structure investments in a combination of redeemable loan stock and equity, investors can expect a yield on their investment, and for most of their capital to be repaid over time, whilst retaining a meaningful equity interest in the investee company. Alternatively, where appropriate and where EIS relief is available, we also arrange EIS investments in private companies.

We believe it important that, where we can, we co-invest alongside the investors we introduce as this not only demonstrates our belief in the investee companies but also aligns our interests with our co-investors and the investee companies.

We believe that investment in unquoted companies should be of interest to high-net-worth individuals and family offices, particularly in a time of rising inheritance tax assessments.

We have said this previously, and 2024 underlined its importance: a business imperative is to broaden the pool of potential investors for the investment opportunities that we identify. This is where we are focusing our marketing efforts.

The Autumn Budget included a number of changes to inheritance tax (IHT) and exemptions/reliefs to IHT, which, whilst unwelcome, should make our investment product more attractive to private investors seeking to protect their assets from IHT.

At present, Business Property Relief (BPR) gives 100 percent relief from IHT for shares held in unquoted trading businesses (which includes AIM traded shares). As announced in the Autumn Budget, from April 2026, for shares held in unquoted trading businesses (other than AIM traded shares) the 100% relief will be available for the first £1 million of business property, with business property over £1 million qualifying for 50% (rather than 100% relief). For AIM traded shares, BPR will be available at 50%, rather than 100%, for the first £1 million, and thereafter at 50%.

At present, inherited pensions such as SIPPs fall outside a deceased person's estate for IHT purposes and are thus not subject to IHT. From April 2027 and as announced in the Autumn Budget, they will fall within a deceased person's estate and thus be subject to IHT.

Outlook

We have a number of promising investment opportunities in our pipeline. Our investment process is rigorous and time-consuming, and we are highly selective, but we hope to bring some of these opportunities to fruition in 2025.

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Chairman's Statement For the Year Ended 31 December 2024

We remain confident in our business model and that our strategy is one which will in time achieve good returns for us and our investors and look forward to the remainder of 2025.

Finally, and on behalf of the Board, I would like to thank our Shareholders, employees, advisers and our co-investors for their support.

**Lindsay Mair
Chairman
4 March 2025**

Macaulay Capital Plc

Strategic Report

For the Year Ended 31 December 2024

Introduction

These accounts comprise the Group's and Company's results and strategic report for the year ended 31 December 2024 and incorporate the results of the Company's 100% owned subsidiary Macaulay Management Limited ("MML") for the year ended 31 December 2024.

Principal Activity

Macaulay Capital Plc is a financial services group quoted on the Aquis Stock Exchange Growth Market ("AQSE"). Its shares were admitted to trading on AQSE on 29 July 2022. The principal activity of the Group is to originate and manage corporate transactions, raise funds from third parties, invest the Group's own funds alongside those of external investors and to manage the Group's investment portfolio with the aim of maximising its value for Shareholders.

Macaulay Capital Plc was incorporated on 13 May 2022 as a UK public limited company for the purpose of acquiring MML which was incorporated on 14 October 2021. Macaulay Capital Plc acquired the entire issued share capital of MML on 14 June 2022.

Accordingly, Macaulay Capital's strategy is to build an investment origination business focused on unquoted companies, generating fees (transactions and ongoing) and participating in transactions alongside external investors in order to generate capital gains.

Business Review

The Consolidated Statement of Comprehensive Income and Consolidated and Company Statement of Financial Position for the year are set out on pages 15 to 17. A review of developments affecting the Group during the year and of its prospects for the future is included in the Chairman's Statement on pages 1 to 4.

Principal risks and uncertainty

The Group's strategy is to follow an appropriate risk policy, which effectively manages exposures related to the achievement of business objectives. The Board is responsible for approving the Group's strategy and determining the appropriate level of risk. The key risks which the Group faces are detailed as follows:

- Performance of portfolio companies – the Group has two investments in investee businesses and is responsible for monitoring the performance of these two companies together with Kelda Showers and also of four companies in the Legacy Portfolio. The success of these businesses is important to the Group's reputation.
- Valuation risk – the valuation of these businesses is a significant factor in the Group's valuation.
- Market conditions for raising finance – the Group's business involves assisting businesses to raise finance and adverse market conditions could affect its ability to do so.

Macaulay Capital Plc

Strategic Report

For the Year Ended 31 December 2024

Performance review

The Key Performance Indicators (“KPIs”) for the Group are as follows:

KPI	As at/year ended 31 December 2024 £'000	As at/year ended 31 December 2023 £'000	Comment
Cash balance	996	338	-
Revenues	277	327*	The Group continues to work towards building its revenues.
Loss before tax	(500)	(288)*	The Group plans to reach breakeven/become profitable and cash positive as it builds its revenues.
Net asset value	2,136	1,362	The Group has increased its net assets through a share issue following the exercise of warrants and is aiming to further increase its net asset value by investing in businesses which become more valuable over time and as realisations occur.
Share price	18.0p	21.5p	Future performance by the business should be reflected in the Company's share price.

*Excluding £212,000 performance fees received.

Section 172 statement

The Directors are fully aware of their responsibilities to promote the success of the Group in accordance with section 172 of the Companies Act 2006 and have acted in accordance with these responsibilities during the year.

Section 172 of the Companies Act 2006 requires Directors to take into consideration the interests of stakeholders in their decision making. The Directors continue to have regard to the interests of all stakeholders, including the impact of its activities on the community, the environment and the Group's reputation, when making decisions. Acting in good faith and fairly between members, the Directors consider what is most likely to promote the success of the Group for its members in the long term.

The Group has identified key core values by which it intends to undertake its business and to promote the success of all stakeholders.

- **Maximising investor return:** Investments by the Group are generally made in profitable and established companies using structures incorporating loan notes as well as equity to maximise returns for ourselves and our co-investors and to manage risk.
- **Alignment of interests:** Macaulay generally co-invests with the investors it introduces, thus aligning its interests with those of the investors it introduces.
- **Pragmatic:** We are straightforward in our dealings and will always seek to let common sense prevail in our dealings with both companies and investors.
- **Acting with integrity:** Being open, honest and transparent is core to our philosophy and helps build enduring and trusting relationships.

Macaulay Capital Plc

Strategic Report

For the Year Ended 31 December 2024

Section 172 statement (continued)

The Board has identified that the Group's key stakeholders are:

- Employees and management team
- Shareholders
- Investee companies and other companies to which it provides services
- Suppliers

Throughout the year the Board considered the wider impact of strategic and operational decisions on the Group's stakeholders.

Employees and management team

The people who work in the Group's business are key to the long-term success of the Group. Senior management including the Company's Directors meet regularly to discuss all aspects of the business.

Shareholders

The Company's Shareholders are key to the long-term success of the Company and Group. The support and engagement of Shareholders are imperative to the future success of the business. The Board ensures that it acts fairly with regard to Shareholders and there is an ongoing dialogue with them.

Investee companies and other companies to which it provides services

The Group is in regular contact with investee companies and others through their management teams and maintains an open dialogue with them.

Suppliers

The Group relies on the assistance of outside parties to operate and regularly engages with advisers to assist and advise it in connection with investments, in connection with its listing on AQSE, and to meet its regulatory obligations. Reports and advice from these advisers are received and form part of discussions by the Directors as appropriate. The Board undertakes a review of all the suppliers to ensure that they are providing the Group with the required level of service.

Community and Environment

The Group seeks to reduce its impact on the environment and where possible communicates electronically rather than through printed hard copies.

Approved by the board on 4 March 2025 and signed on its behalf:

Lindsay Mair
Chairman

Macaulay Capital Plc

Directors' Report For the Year Ended 31 December 2024

The Directors present their report and the financial statements for the year ended 31 December 2024.

Directors' responsibilities statement

The Directors are responsible for preparing the Group Strategic Report, the Directors' Report and the consolidated financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the Directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'. Under company law the Directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the Group and of the profit or loss of the Group for that period.

In preparing these financial statements, the Directors are required to:

- Select suitable accounting policies for the Group's financial statements and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- state whether applicable UK 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 Group will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's transactions and disclose with reasonable accuracy at any time the financial position of the Company and the Group and to 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 the Group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Results and dividends

The loss for the period, after taxation, amounted to £500,474 (2023: £76,195). The Directors do not recommend the payment of a dividend.

Directors

The Directors who served during the period were:

Lindsay K A Mair
David A Horner
Richard H Bucknell

Lindsay Keith Anderson Mair, ACA, - Non-Executive Chairman – appointed 13 May 2022

Lindsay is a former investment banker with extensive capital markets experience acquired over a thirty-year career in the City, advising small cap companies on transactions (capital markets and M&A) and on ongoing compliance with market regulations. Between 2000 and 2019 he was also an approved qualified executive for AIM listed companies and has held a number of company directorships. Lindsay is a chartered accountant having qualified with Touche Ross (now Deloitte) in 1987.

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Directors' Report (continued) For the Year Ended 31 December 2024

David Alistair Horner - Managing Director – appointed 13 May 2022

David qualified as a chartered accountant with Touche Ross (now Deloitte) and in 1986 joined 3i Corporate Finance Limited. In 1997, he formed Chelverton Asset Management (“CAM”) which manages a variety of closed and open-ended funds. He is now the Investment Trusts Director of CAM. He is also Chairman of AIM listed CEPS plc. In 2013, he resigned his membership of the ICAEW as his work became focused on fund management.

Richard Bucknell - Chief Investment Officer – appointed 17 May 2022

Richard is an experienced private equity investment professional who has led over 30 investments into smaller companies since 1998. In most of those transactions he has represented investor interests on the board of the companies involved. He has helped shape the strategic development of the companies over time, through to managing the realisation process on behalf of investors. Prior to joining Macaulay Capital, Richard was Investment Director at CAM, responsible for its portfolio of unquoted investments, and previously held a number of senior investment management positions at firms that included Barclays Ventures, Livingbridge (previously ISIS Equity Partners) and Catapult Venture Managers.

Future developments

The future developments of the Group are discussed in the Chairman’s Statement.

Financial instruments

The Group has various financial instruments such as trade debtors and investments in equity and debt instruments which arise directly from operations. The Group does not enter into derivative transactions.

The main financial risks arising from the Group's activities are investment risk, credit risk and liquidity risk. These are monitored by the Board of Directors and were not considered to be significant at the Balance Sheet date.

The Group actively manages its financial risks in order to meet its foreseeable needs in the short and medium term.

Credit risk

The Group's principal financial assets are its investments, cash and debtors. The Directors consider there to be minimal credit risk in respect of the Group's cash balances as they are held at a UK bank. The Directors manage credit risk in respect of debtors (including the holdings of loan stock in investee companies) by reviewing outstanding balances on a regular basis.

Going concern

Company law requires the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. Having considered the period to December 2026, the Directors confirm that they consider that adopting the going concern basis is appropriate.

At 31 December 2024 the Group had cash balances of approximately £1.0 million and has access to £0.2 million from the exercise of the Founder Warrants as detailed in Note 15. Therefore, the Directors believe that the Group has sufficient resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the annual financial statements.

Macaulay Capital Plc

Directors' Report (continued) For the Year Ended 31 December 2024

Disclosure of information to auditor

Each of the persons who is a Director at the time when this Directors' report is approved has confirmed that:

- So far as the Director is aware, there is no relevant audit information of which the Company and the Group's auditor is unaware, and;
- the Director has taken all the steps that he ought to have taken as a Director in order to be aware of any relevant audit information and to establish that the Company and the Group's auditor is aware of that information.

Substantial shareholdings

The Directors had been notified of the following notifiable interests in the voting shares of the Company at 31 December 2024.

	Number of shares	% of total voting rights
Harry Horner	3,550,000	23.5%
Tom Horner	3,550,000	23.5%
David and Mary Horner	550,000	3.7%

Post balance sheet events

There are no post balance sheet events to report.

Annual General Meeting

The business of the meeting is set out in the Notice of Meeting out on pages 35 to 38 of this Report. Resolutions will be proposed to receive and adopt the Annual Report and Financial Statements, to re-elect the Directors and to re-appoint Hazlewoods LLP as the Company's Independent Auditor.

Shareholders are encouraged to submit their proxy votes ahead of the meeting, appointing the Chair of the meeting who will ensure that the vote will count rather than a named person. The form of proxy is attached and can be submitted by post to Share Registrars Limited, 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX, or online by logging into www.shareregistrars.uk.com, or through CREST.

Any Shareholder who would like to lodge questions in advance of the Annual General Meeting is invited to do so by email to the Company Secretary at macaulay@iscaadmin.co.uk or in writing to ISCA Administration Services Limited, The Office Suite, Den House, Den Promenade, Teignmouth TQ14 8SY. The Company always responds to letters from individual Shareholders.

Hazlewoods LLP has expressed its willingness to continue in office and a resolution to re-appoint it will be proposed at the forthcoming Annual General Meeting

Lindsay Mair
Chairman
4 March 2025

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc for the Year Ended 31 December 2024

Opinion

We have audited the financial statements of Macaulay Capital Plc (the 'parent company') and its subsidiary (the 'Group') for the year ended 31 December 2024 which comprise the Consolidated Statement of Comprehensive Income, the Consolidated and Company Statements of Financial Position, the Consolidated and Company Statements of Changes in Equity, the Consolidated Statement of Cash Flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion:

- the financial statements give a true and fair view of the state of the Group's and of the Parent Company's affairs as at 31 December 2024 and of its loss for the year then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- the financial statements have been prepared in accordance with the provisions 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 Group and Parent 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 Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

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 Group and Parent Company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

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.

**Independent Auditor's Report to the Members of Macaulay Capital Plc (continued)
for the Year Ended 31 December 2024**

Key audit matter – Group	How our audit addressed the key audit matter
<p>Valuation, ownership and existence of investments</p> <p>The Group's investment portfolio is one of the key drivers of its results, 100% of which is in unquoted investments in line with the Group's strategy.</p> <p>The valuation of unquoted investments involves significant judgements and estimates. In particular, we look at where the Directors made subjective judgements in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.</p>	<p>We obtained an understanding of how the valuation was performed and considered whether the method chosen was in accordance with published guidance and reviewed and challenged the assumptions applied to the valuation inputs. We verified and benchmarked key inputs and estimates to independent information from our own research and against metrics from the investments and, where appropriate, we performed sensitivity analysis on the valuation calculations and alternative valuation methods were considered and discussed with management to provide alternative views on the value of the investments.</p> <p>Further, we also considered the economic environment in which the investments operate, to identify factors that could impact the investment valuation.</p> <p>Ownership and existence are also considered significant risks. We confirmed investment holdings to share certificates and Companies House.</p>

There were no key audit matters in respect of the Parent Company.

Our application of materiality

When establishing overall audit strategy, we set certain thresholds which help us determine the nature, timing and extent of our audit procedures and evaluate the effects of misstatements, both individually and on the financial statements as a whole. During planning we determined a magnitude of uncorrected misstatements that we judge would be material for the financial statements as a whole (FSM). During planning, FSM was calculated as £40,000, which was not changed during the course of our audit. We agreed with the Audit Committee that we would report all unadjusted differences in excess of £2,000, as well as differences below those thresholds that, in our view, warranted reporting on qualitative grounds.

An overview of the scope of our audit

Our audit scope included all components and was performed to Group materiality. Our audit work therefore covered 100% of Group revenue, Group loss and total Group assets and liabilities. It was performed to the materiality levels set out above.

Other information

The other information comprises the information included in the Annual Report other than the financial statements and our Auditor's Report thereon. The Directors are responsible for the other information contained within the Annual Report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with

Independent Auditor's Report to the Members of Macaulay Capital Plc (continued) for the Year Ended 31 December 2024

the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the Group and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Directors

As explained more fully in the directors' responsibilities statement set out on page 8, 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 controls as the Directors determine are 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 Group and the Parent 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 aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

**Independent Auditor's Report to the Members of Macaulay Capital Plc (continued)
for the Year Ended 31 December 2024**

Extent to which the audit was capable of detecting irregularities, including fraud

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:

We considered the nature of the Company's industry and its control environment and reviewed the Company's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory framework that the Company operates in and identified the key laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements, including the UK Companies Act and tax legislation, and, those that do not have a direct effect on the financial statements but compliance with which may be fundamental to the Company's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override of controls. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatements due to fraud;
- enquiring of management concerning actual and potential litigation and claims and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion. There are inherent limitations in the audit procedures performed 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 are to become aware of it.

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc (continued) for the Year Ended 31 December 2024

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

Use of this report

This report is made solely to the Company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the Company's members those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Rebecca Copping (Senior Statutory Auditor)

For and on behalf of Hazlewoods LLP, Statutory Auditor
Staverton Court
Staverton
Cheltenham
GL51 0UX

4 March 2025

Macaulay Capital Plc

Consolidated Statement of Comprehensive Income for the Year Ended 31 December 2024

		Year ended 31 December 2024	Year ended 31 December 2023
	Notes		
Income	4	277,447	539,225
Unrealised gains on investments		3,440	-
Other expenses	5/6	<u>(781,361)</u>	<u>(613,501)</u>
Loss on ordinary activities before interest and taxation		(500,474)	(74,276)
Interest expense		<u>-</u>	<u>(1,919)</u>
Loss on ordinary activities before taxation		<u>(500,474)</u>	<u>(76,195)</u>
Taxation	7	<u>-</u>	<u>-</u>
Loss on ordinary activities after taxation		<u>(500,474)</u>	<u>(76,195)</u>
Loss per Ordinary share in pence	9	<u>(4.82)p</u>	<u>(0.76)p</u>

The notes on pages 22 to 34 form part of these financial statements.

Macaulay Capital Plc

Consolidated Statement of Financial Position as at 31 December 2024

	Notes	2024 £	2023 £
Fixed assets			
Tangible assets	10	1,406	2,813
Investments at fair value through profit or loss	11	<u>1,028,440</u>	<u>900,000</u>
		1,029,846	902,813
Current assets			
Debtors: amounts falling due within one year	13	166,534	175,503
Cash at bank and in hand		<u>996,376</u>	<u>338,484</u>
		<u>1,162,910</u>	<u>513,987</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	14	<u>(56,419)</u>	<u>(54,989)</u>
Net current assets		<u>1,106,491</u>	<u>458,998</u>
Net assets		<u>2,136,337</u>	<u>1,361,811</u>
Capital and reserves			
Called up share capital	15	1,510,000	1,000,000
Share premium account	2.17	1,588,000	823,000
Profit and loss account		<u>(961,663)</u>	<u>(461,189)</u>
Shareholders' funds		<u>2,136,337</u>	<u>1,361,811</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 4 March 2025.

Lindsay Mair
Director

The notes on pages 22 to 34 form part of these financial statements.

Macaulay Capital Plc

Company Statement of Financial Position as at 31 December 2024

	Notes	2024 £	2023 £
Fixed assets			
Investments in subsidiary	12	<u>521,357</u>	<u>1,000,000</u>
		521,357	1,000,000
Current assets			
Debtors: amounts falling due within one year	13	746,429	323,408
Cash at bank and in hand		<u>901,398</u>	<u>259,873</u>
		<u>1,647,827</u>	<u>583,281</u>
Creditors: amounts falling due within one year			
Other creditors and accruals	14	<u>(32,847)</u>	<u>(34,944)</u>
Net current assets		<u>1,614,980</u>	<u>548,337</u>
Net assets		<u>2,136,337</u>	<u>1,548,337</u>
Capital and reserves			
Called up share capital	15	1,510,000	1,000,000
Share premium account		1,588,000	823,000
Profit and loss account		<u>(961,663)</u>	<u>(274,663)</u>
Equity Shareholders' funds		<u>2,136,337</u>	<u>1,548,337</u>

The financial statements were approved and authorised for issue by the Board on 4 March 2025 and were signed on its behalf by

Lindsay Mair

Director

The notes on pages 22 to 34 form part of these financial statements.

Macaulay Capital Plc

Consolidated Statement of Changes in Equity for the Year Ended 31 December 2024

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity Shareholders' Funds £
At 1 January 2024	1,000,000	823,000	(461,189)	1,361,811
Total comprehensive income for the year:				
Loss for the year	-	-	(500,474)	(500,474)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	510,000	765,000	-	1,275,000
At 31 December 2024	1,510,000	1,588,000	(965,103)	2,136,337

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity Shareholders' Funds £
At 1 January 2023	1,000,000	823,000	(384,994)	1,438,006
Total comprehensive income for the year:				
Loss for the year	-	-	(76,195)	(76,195)
At 31 December 2023	1,000,000	823,000	(461,189)	1,361,811

The notes on pages 22 to 34 form part of these financial statements

Macaulay Capital Plc

Company Statement of Changes in Equity for the Year Ended 31 December 2024

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity Shareholders' Funds £
At 1 January 2024	1,000,000	823,000	(274,663)	1,548,337
Total comprehensive income for the year:				
Loss for the year	-	-	(208,357)	(208,357)
Revaluation of subsidiary	-	-	(478,643)	(478,643)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	510,000	765,000	-	1,275,000
At 31 December 2024	1,510,000	1,588,000	(961,663)	2,136,337

	Called up share capital £	Share premium account £	Profit and loss account £	Total Equity Shareholders' Funds £
At 1 January 2023	1,000,000	823,000	(102,645)	1,720,355
Total comprehensive income for the year:				
Loss for the year	-	-	(172,018)	(172,018)
At 31 December 2023	1,000,000	823,000	(274,663)	1,548,337

The notes on pages 22 to 34 form part of these financial statements.

Macaulay Capital Plc

Consolidated Statement of Cash Flows for the Year Ended 31 December 2024

	2024	2023
	£	£
Cash flows from operating activities:		
Loss for the year	(500,474)	(76,195)
Adjusted for:		
Depreciation of assets	1,407	1,406
Unrealised gains on investments	(3,440)	-
Interest paid	-	1,919
Decrease/(increase) in debtors	(116,031)	(70,541)
Increase/(decrease) in creditors	1,430	(5,405)
Net cash used in operating activities	(617,108)	(148,816)
Cash flows from investing activities:		
Purchase of investments	-	(700,000)
Net cash used in investing activities	-	(700,000)
Cash flows generated from financing activities:		
Issue of Ordinary shares	1,275,000	-
Interest paid	-	(1,919)
Net cash generated from/(used in) financing activities	1,275,000	(1,919)
Net increase/(decrease) in cash and cash equivalents	657,892	(850,735)
Reconciliation of net cash flow to movement in net cash:		
Increase/(decrease) in cash	657,892	(850,735)
Net cash at beginning of year	338,484	1,189,219
Net cash at beginning of year	996,376	338,484

The notes on pages 22 to 34 form part of these financial statements.

Macaulay Capital Plc

Notes to the Financial Statements for the Year Ended 31 December 2024

1 General information

Macaulay Capital Plc was incorporated on 13 May 2022 for the purpose of acquiring Macaulay Management Limited (“MML”). MML was incorporated on 14 October 2021 and was formed to originate and manage corporate transactions, raise funds from third parties, invest the Group’s own funds alongside those of external investors and to manage the Group’s investment portfolio with the aim of maximising its value. Macaulay Capital Plc acquired the entire issued share capital of MML on 14 June 2022.

The Company is a public limited company, which is incorporated and registered in England and Wales (Registered number: 14105915).

The registered office address is The Office Suite, Den House, Den Promenade, Teignmouth, TQ14 8SY.

2 Accounting policies

2.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own statement of comprehensive income in these financial statements.

The presentational currency of the financial statements is Pounds Sterling, being the functional currency of the primary economic environment in which the company operates. Monetary amounts in these financial statements are rounded to the nearest Pound.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the Company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Basis of consolidation

The consolidated financial statements incorporate the results of the Company and its subsidiary MML, (together the Group), as if they form a single entity using merger accounting. On the establishment of the Company as the ultimate parent of the Group, no change in ownership occurred and the entity was established for the purpose of acquiring MML. Therefore, the requirements of purchase method accounting did not apply.

The financial statements of the subsidiary are prepared for the year ended 31 December 2024 using consistent accounting policies. All inter-company balances and transactions, including unrealised profits arising from them are eliminated on consolidation.

2.3 Going concern

Company law requires the Directors to consider the appropriateness of the going concern basis when preparing the financial statements. At 31 December 2024, the Group had cash

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

Going concern (continued)

balances of approximately £1.0 million and has access to £0.2 million from the exercise of the Founder Warrants as detailed in Note 15. Having reviewed cash flow forecasts for the period to 31 December 2026, the Directors confirm that they consider that the going concern basis is appropriate. This review included consideration of the Group's financial position in respect of its cash flows and investment commitments (of which there are none of significance) and the current economic environment. In addition, the Directors are not aware of any material uncertainties that may cast significant doubt upon the Group's ability to continue as a going concern.

The Directors believe that the Group has sufficient resources to continue in operational existence for the foreseeable future. Thus, they have adopted the going concern basis of accounting in preparing the annual financial statements.

2.4 Revenue recognition

Income from arrangement fees is recognised when the investment has been completed. Invoices for monitoring fees are recognised when services are performed in line with each agreement. Fixed returns on debt securities are recognised on a time-apportioned basis so as to reflect the effective yield. Performance exit fees are recognised when the investment has been sold. Interest income is recognised in the profit and loss account using the effective interest method.

2.5 Income

Income is attributable to the principal activities of the Group which are to manage corporate transactions, raise funds from third parties, invest the Group's own funds alongside those of external investors and to manage the Group's investment portfolio.

All of the reported revenue and operational results for the year derive from the Group's principal activities and its investments and are recognised on an accruals basis. The Group is not reliant on any one customer.

2.6 Tangible fixed assets

Tangible fixed assets are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is charged so as to allocate the cost of assets less their residual value over their estimated useful lives, using the methods below:

Computer equipment - 4 years straight line.

2.7 Investment in subsidiaries

Investments in subsidiaries are measured at cost less any accumulated impairment in value.

2.8 Financial instruments

The Group only enters into basic financial instruments and transactions that result in the recognition of financial assets and liabilities such as trade debtors, investments in equity and debt instruments and other debtors and creditors. The Company has adopted section 11 of FRS 102 on the recognition and measurement of financial instruments.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

2.8 Financial instruments (continued)

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

2.9 Investments

Investments are measured initially at cost and at subsequent reporting dates at fair value and derecognised at the trade date. Accordingly, as permitted by FRS 102, investments in shares and loan notes upon their initial recognition are designated as investments at fair value through profit or loss on the basis that they qualify as a group of assets managed, and whose performance is evaluated, on a fair value basis in accordance with a documented investment strategy. Investments at fair value through profit or loss are measured initially at transaction price (not adjusted for transaction costs) and at subsequent reporting dates at fair value. The changes in fair value of investments are recognised in profit or loss and are treated as unrealised holding gains or losses. Purchases and sales of investments are recognised/derecognised in the financial statements at the date of the transaction (trade date).

2.10 Debtors

Short-term debtors are measured at transaction price, less any impairment.

2.11 Cash and cash equivalents

Cash comprises cash at bank and demand deposits. Cash equivalents are short-term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, cash and cash equivalents consist of cash and cash equivalents as defined above.

2.12 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, should they arise, will be measured initially at fair value net of transaction costs, and will be measured subsequently at amortised cost using the effective interest method.

2.13 Pensions - contributory pension plan

The Group operates a contributory plan for its employees. Once the contributions have been paid the Group has no further payment obligations.

The contributions are recognised as an expense in the Statement of Comprehensive Income when they fall due. Amounts not paid are shown in accruals as a liability in the Statement of Financial Position.

2.14 Earnings per share

Basic earnings per share is calculated by dividing the profit or loss attributable to ordinary equity holders of the Company by the weighted average number of ordinary shares in issue during the year.

Diluted earnings per share is calculated by adjusting the earnings and number of shares for the effects of dilutive options and other dilutive potential ordinary shares.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

2.15 Dividend policy

The Company expects that returns to Shareholders will be delivered primarily through an appreciation in the price of the Ordinary Shares rather than by capital distribution through regular dividends.

2.16 Share based payments

In accordance with IFRS 2: Share Based Payments, an expense is recognised in the financial statements relating to the value of share options awarded under Share Option Scheme described in note 15.

The accounting charge is based on the fair value of each grant, measured at the grant date and is spread over the vesting period. The deemed expense over the vesting period is transferred to a Share Options Reserve.

2.17 Current and deferred taxation

The tax expense for the year comprises current and deferred tax. Tax is recognised in profit or loss except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits;
- Where they relate to timing differences in respect of interests in subsidiaries and the Group can control the reversal of the timing differences and such reversal is not considered probable in the foreseeable future.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.18 Reserves

Share premium account

The share premium account represents the accumulated premium paid for shares issued above their nominal value less issue expenses. This is a reserve forming part of non-distributable reserves. The following items are taken to this reserve:

- costs associated with the issue of equity; and
- premium on the issue of shares.

Profit and loss account

This reserve holds the accumulation of profits and losses reduced by any dividends paid to Shareholders.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

3. Judgements in applying accounting policies and key sources of estimation uncertainty

The preparation of the financial statements requires the Board to make judgements and estimates regarding the application of policies and affecting the reported amounts of assets, liabilities, income and expenses. Estimates and assumptions mainly relate to the fair valuation of the fixed asset investments particularly unquoted investments. Estimates are based on historical experience and other assumptions that are considered reasonable under the current circumstances. The estimates and the assumptions are under continuous review with particular attention paid to the carrying value of the investments

Investments at fair value through profit or loss are regularly reviewed to ensure that the fair values are appropriately stated. Unquoted investments in shares and loan notes are valued in accordance with current International Private Equity and Venture Capital Valuation (IPEVC) Valuation Guidelines, which can be found on their website at www.privateequityvaluation.com, although this does rely on subjective estimates such as appropriate sector earnings or revenue multiples, forecast results of investee companies, asset values of investee companies and liquidity or marketability of the investments held.

4 Income

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Arrangement fees	10,125	102,168
Monitoring fees	180,990	157,352
Loan note interest	70,789	56,717
Performance exit fees	-	211,751
Bank interest	15,543	11,237
	277,447	539,225

5 Other expenses

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Administration and secretarial services	35,350	29,700
Auditor's remuneration for:		
- Audit services	18,900	18,000
- Non-audit services	3,745	4,045
Data and IT support	31,437	31,774
Legal & professional fees	190,744	69,561
Other expenses	104,080	101,346
	384,256	254,426

The Audit fee paid by the Company was £9,975 (2023: £9,500).

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

6 Directors' remuneration and employee costs

	31 December 2024	31 December 2023
	£	£
Directors' fees	182,001	165,666
Director's healthcare insurance	5,904	8,618
Staff salaries	158,542	140,001
Pension contributions	1,136	-
Employer's national insurance	38,179	37,275
Directors and staff expenses and training	11,343	7,515
	<u>397,105</u>	<u>359,075</u>

The average number of employees for the Group was 4 (2023: 4).

7 Taxation

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Analysis of charge in year		
Current tax	-	-
	<u>-</u>	<u>-</u>

Factors affecting current tax charge for the year

With effect from 1 April 2023 the rate of Corporation Tax increased to 25%. The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 25% (2023:23.52%). The differences are explained below:

	Year to 31 December 2024	Year to 31 December 2023
	£	£
Loss on ordinary activities	(500,474)	(76,195)
Standard tax at UK corporation tax rate of 25% (2023: 23.52%)		
Corporation tax	(125,119)	(17,921)
Ineligible depreciation	352	331
Expenses not deductible for tax purposes	-	-
Excess expenses for the year	124,767	17,590
Current tax charge for the year	<u>-</u>	<u>-</u>

Factors that may affect future tax charges

At 31 December 2024 the Company had surplus management expenses of £957,443 (2023: £458,376). A deferred tax asset is not recognised in respect of these losses as it is not probable that it will be recovered against the reversal of deferred tax liabilities or other future taxable profits

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

8 Parent company loss for the year

The Company has taken advantage of the exemption allowed under section 408 of the Companies Act 2006 and has not presented its own profit and loss account in these financial statements. The loss after tax of the parent company for the year was £687,000 (2023: £172,018).

9 Loss per share

The calculation of basic return per share is based on the return after tax and on the weighted average number of ordinary shares in issue in the year. Basic and diluted returns per share are the same as there are no dilutive elements on share capital.

	Year to 31 December 2024	Year to 31 December 2023
Loss after taxation attributable to Ordinary shareholders (£)	(500,474)	(76,195)
Weighted average Ordinary shares in issue	10,390,164	10,000,000
Loss per Ordinary share - basic and diluted (pence)	<u>(4.82)</u>	<u>(0.76)</u>

10 Tangible fixed assets

	31 December 2024 Group	31 December 2023 Group
Cost or valuation	£	£
At 1 January 2024	5,626	5,626
Additions	-	-
At 31 December 2024	<u>5,626</u>	<u>5,626</u>
Depreciation		
At 1 January 2024	2,813	1,407
Charge for the year	1,407	1,406
At 31 December 2024	<u>4,220</u>	<u>2,813</u>
Net book value at 31 December 2024	<u>1,406</u>	<u>2,813</u>

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

11 Investments

			31 December 2024	31 December 2023
	Investment in loan notes £	Investment in unlisted shares £	Total £	Total £
Investments held at fair value through profit or loss				
Opening book cost	859,031	40,969	900,000	200,000
Opening valuation	859,031	40,969	900,000	200,000
Movements in the year				
Purchases at cost	114,247	10,753	125,000	700,000
Movement in unrealised gains	-	3,440	3,440	-
Closing valuation	973,278	55,162	1,028,440	900,000
Closing book cost	973,278	51,722	1,025,000	900,000
Closing valuation	973,278	55,162	1,028,440	900,000

On 20 May 2022, the Group invested in a company in the bakery industry by purchasing 17,200 Ordinary B shares at £1 per share and issuing an unsecured loan note of £182,800 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 20 May 2027.

On 23 March 2023, the Group invested in an engineering company by purchasing 23,769 Ordinary B shares at £1 per share and issuing an unsecured loan note of £676,231 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 23 March 2029.

On 17 October 2024, the Group made a further investment in the aforementioned company in the bakery industry by purchasing 8,961 Ordinary shares at £1 per share and issuing an unsecured loan note of £114,247 with 8% interest. Interest is received as it falls due, and the principal is to be repaid in full on 20 May 2027.

The fair value of the investments is determined by using measures of value such as the price of recent transactions, earnings or revenue multiples, discounted cash flows and net assets. These are consistent with the IPEVC Valuation Guidelines.

At 31 December 2024, the fair market value of the investment in shares and loan notes approximated to its carrying value.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

12 Investment in subsidiary undertaking

	Company 31 December 2024 £	Company 31 December 2023 £
At 1 January 2024	1,000,000	1,000,000
Additions	-	-
Impairment loss	(478,643)	-
Carrying value at 31 December 2024	<u>521,357</u>	<u>1,000,000</u>

At 31 December 2024 the Company held interests in the following subsidiary company

	Country of incorporation	% of capital held	% share of voting rights	Nature of business
Macaulay Management Limited	England	100%	100%	Investment company

The registered address of the subsidiary is the same as the Company.

13 Debtors

	Group 31 December 2024 £	Company 31 December 2024 £
Due within one year:		
Trade debtors	36,597	-
Other debtors	102,063	-
Amounts due from subsidiary	-	736,316
Prepayments and accrued income	27,874	10,113
	<u>166,534</u>	<u>746,429</u>

	Group 31 December 2023 £	Company 31 December 2023 £
Due within one year:		
Trade debtors	27,600	-
Other debtors	126,820	-
Amounts due from subsidiary	-	314,316
Prepayments and accrued income	21,083	9,092
	<u>175,503</u>	<u>323,408</u>

Other debtors include a loan of £100,000 to an investee company which is repayable in April 2025 together with a 20% premium.

Notes to the Financial Statements (continued)
for the Year Ended 31 December 2024

14 Creditors amounts falling due within one year

	Group 31 December 2024	Company 31 December 2024
	£	£
Trade creditors	9,182	6,459
Other taxation and social security	15,195	8,117
Accruals and other creditors	32,042	18,271
	56,419	32,847

	Group 31 December 2023	Company 31 December 2023
	£	£
Trade creditors	7,377	4,607
Other taxation and social security	11,389	6,624
Accruals and other creditors	36,223	23,713
	54,989	34,944

15 Called up share capital

	Group and Company 31 December 2024	
	Number	£
Issued, allotted and fully paid:		
Ordinary shares of 10p each	15,100,000	1,510,000

	Group and Company 31 December 2023	
	Number	£
Issued, allotted and fully paid:		
Ordinary shares of 10p each	10,000,000	1,000,000

Ordinary shares have full voting rights with 1 vote per share, they are entitled to dividends when proposed and are due a capital distribution on a company exit event.

Share options

On 29 April 2024, the Company granted a total of 1,000,000 options over ordinary shares to directors, employees and consultants (other than David Horner). The options do not vest for two years (except in certain exceptional circumstances) and exercise is subject to a number of performance conditions. The exercise price of the options is 21.5p per share. The share-based payment charge for the year is nil.

Founder Warrants

On 3 December 2024, each of Harry and Tom Horner (David Horner's sons) exercised 2,550,000 Founder Warrants at 25p per share, leaving each of them with 450,000 Founder Warrants, which must be exercised by no later than 31 December 2025, also at 25p per share.

Harry and Tom Horner also own an aggregate of 5,000,000 Conditional Founder Warrants, exercisable at the higher of 25p per share and the mid-market price of an Ordinary Share at the time of exercise, conditional on the exercise of Share Options up to a maximum of the number of ordinary shares issued following the exercise of such Share Options.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

16 Capital commitments

At 31 December 2024 and 2023 there were no capital commitments outstanding and no contingent liabilities.

17 Directors' interests and related party transactions (Group and Company)

The Company has taken advantage of the exemption in section 33 of FRS 102 from the requirement to disclose transactions with its wholly owned subsidiary on the grounds that consolidated financial statements are prepared by the Parent Company.

The Directors are considered to be the key management of the business. Their remuneration for the year is disclosed in note 6 of these financial statements.

The Directors and connected persons held the following interests in the voting shares of the Company at 31 December 2024:

	Number of shares	% of total voting rights
David Horner	500,000	3.3%
Mary Horner	50,000	0.4%
Harry Horner	3,550,000	23.5%
Tom Horner	3,550,000	23.5%
Lindsay Mair	125,000	0.8%

For the purposes of the AQSE Growth Market Access Rulebook the parties referred to below are related parties of the Company for the reasons set out in those paragraphs.

David Horner is a related party of the Company because he is a Director of the Company; and Mary Horner, who is David Horner's wife, is for that reason an associate of David Horner and thereby a related party to the Company.

Chelverton Asset Management ("CAM"), a company of which David Horner is a director and significant shareholder, is a related party of the Company because CAM is an associate of David Horner.

Each of Harry and Tom Horner is a related party of the Company for the following two reasons: each of them controls more than 10 percent of the votes able to be cast on all or substantially all matters at general meetings of the Company; and each of them is a son of David Horner and, as a result, an associate of his and therefore is a related party.

As announced on 22 October 2024, David Horner purchased 250,000 shares at 20p per share taking his personal shareholding to 500,000 shares.

As announced on 26 July 2024, David Horner lent the Company £500,000 (the "Loan") for working capital and other purposes. The Loan was unsecured, was interest free and was repaid from the proceeds of the exercise of the Unconditional Founder Warrants.

As disclosed in note 15, on 3 December 2024, Harry and Tom Horner exercised 2,550,000 each of their Founder Warrants at a price of 25p per share.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

Directors' interests and related party transactions (Group and Company) (continued)

Others

MML manages what was formerly the unquoted investment portfolio of CAM, which David Horner, a director of the Company, founded and of which he is a director.

In the year the Company's operations manager has spent a proportion of his time working with a private business owned by David Horner and his wife. Under this agreement, the private business paid the Group £36,000 (2023: £34,500), equivalent to the pro-rata cost of the operations manager's employment to the Group

18 Financial instruments

The Group's financial instruments comprise securities and other investments, cash balances and debtors and creditors that arise from its operations, for example, in respect of sales and purchases awaiting settlement and debtors for accrued income.

The financial instruments of the Group fall into the following categories:

Group	Assets at fair		Total
	At amortised cost	value through profit or loss	
31 December 2024	£	£	£
Assets			
Investments	-	1,028,440	1,028,440
Debtors	143,660	-	143,660
Cash and cash equivalents	996,376	-	996,376
Total	1,140,036	1,028,440	2,168,476
Liabilities			
Creditors	41,224	-	41,224
Total	41,224	-	41,224

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the Year Ended 31 December 2024

18 Financial instruments (continued)

Group	At amortised cost	Assets at fair value through profit or loss	Total
31 December 2023	£	£	£
Assets			
Investments	-	900,000	900,000
Debtors	152,600	-	152,600
Cash and cash equivalents	338,484	-	338,484
Total	491,084	900,000	1,391,084
Liabilities			
Creditors	43,600	-	43,600
Total	43,600	-	43,600

Company	At amortised cost	Assets at fair value through profit or loss	Total
31 December 2024	£	£	£
Assets			
Amounts due from subsidiary	736,316	-	736,316
Cash and cash equivalents	901,398	-	901,398
Total	1,637,714	-	1,637,714
Liabilities as per the balance sheet			
Creditors	24,730	-	24,730
Total	24,730	-	24,730

Company	At amortised cost	Assets at fair value through profit or loss	Total
31 December 2023	£	£	£
Assets			
Amounts due from subsidiary	314,316	-	314,316
Cash and cash equivalents	259,873	-	259,873
Total	574,189	-	574,189
Liabilities			
Creditors	28,320	-	28,320
Total	28,320	-	28,320

Macaulay Capital Plc (“The Company”)

Notice of Annual General Meeting Registered in England and Wales No. 14105915

Notice is hereby given that the second Annual General Meeting (the “AGM”) of the Company will be held at the offices of Chelverton Asset Management Limited, 11 Laura Place, Bath, BA2 4BL on 25 April 2025 at 12.00 noon for the purposes of considering the following resolutions all will be proposed as ordinary resolutions.

- | | |
|--------------|--|
| Resolution 1 | To receive and adopt the audited Annual Report and Accounts for the year ended 31 December 2024 together with the Directors’ Report and Auditor’s Report thereon. |
| Resolution 2 | To re-elect Lindsay Mair as a Director of the Company. |
| Resolution 3 | To re-elect Richard Bucknell as a Director of the Company |
| Resolution 4 | To re-elect David Horner as a Director of the Company. |
| Resolution 5 | To re-appoint Hazlewoods LLP as Auditors to the Company to hold office from the conclusion of this meeting until the next AGM, and to authorise the Directors to determine their remuneration. |

Registered Office
The Office Suite
Den House
Den Promenade
Teignmouth
TQ14 8SY

By order of the Board
ISCA Administration
Services Limited
Secretary
4 March 2025

Macaulay Capital Plc (“The Company”)

Notice of Annual General Meeting Registered in England and Wales No. 14105915

NOTES:

Entitlement to attend and vote

1. Pursuant to Regulation 41 of The Uncertificated Securities Regulations 2001 and paragraph 18(c) of The Companies Act 2006 (Consequential Amendments) (Uncertificated Securities) Order 2009, the Company specifies that only those members registered on the Company’s register of members 48 hours before the time of the Meeting shall be entitled to attend and vote at the Meeting. In calculating the period of 48 hours mentioned above no account shall be taken of any part of a day that is not a working day. All voting will be undertaken on a poll using the proxy votes submitted.

Appointment of proxies

2. If you are a member of the Company at the time set out in note 1 above, you are entitled to appoint a proxy to exercise all or any of your rights to attend, speak and vote at the Meeting and you should have received a proxy form with this notice of meeting. You can only appoint a proxy using the procedures set out in these notes and the notes to the proxy form.

3. It is recommended that you appoint the Chairman of the Meeting as your proxy. Details of how to appoint the Chairman of the Meeting or another person as your proxy using the proxy form are set out in the notes to the proxy form. If you wish your proxy to speak on your behalf at the meeting, you will need to appoint your own choice of proxy (not the Chairman) and give your instructions directly to them.

4. You may appoint more than one proxy provided each proxy is appointed to exercise rights attached to different shares. You may not appoint more than one proxy to exercise rights attached to any one share. To appoint more than one proxy, please contact the registrars of the Company, Share Registrars Limited on 01252 821 390.

5. A vote withheld is not a vote in law, which means that the vote will not be counted in the calculation of votes for or against the resolution. If no voting indication is given, your proxy will vote or abstain from voting at his or her discretion. Your proxy will vote (or abstain from voting) as he or she thinks fit in relation to any other matter which is put before the Meeting.

Appointment of proxy online

6. By visiting www.shareregistrars.uk.com clicking on the “Proxy Vote” button and then following the on-screen instructions using your User name and Access Code provided.

Appointment of proxy using hard copy proxy form

7. The notes to the proxy form explain how to direct your proxy on how to vote on each resolution or withhold their vote. To appoint a proxy using the proxy form, the form must be:

- completed and signed;
- sent or delivered to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX;
- and received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

In the case of a member which is a company, the proxy form must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company.

Any power of attorney or any other authority under which the proxy form is signed (or a duly certified copy of such power or authority) must be included with the proxy form.

Appointment of proxy using CREST

8. CREST members who wish to appoint a proxy or proxies for the AGM (or any adjournment of it) through the CREST electronic proxy appointment service may do so by using the procedures described in the CREST Manual. CREST personal members or other CREST sponsored members, and those CREST members who have appointed a voting service provider(s), should refer to their CREST sponsor or voting service provider(s), who will be able to take the appropriate action on their behalf.

In order for a proxy appointment or instruction made using the CREST service to be valid, the appropriate CREST message (a “CREST Proxy Instruction”) must be properly authenticated in accordance with Euroclear UK & Ireland Limited’s specifications and must contain the information required for such instructions, as described in the CREST Manual. The message, regardless of whether it constitutes the appointment of a proxy or is an amendment to the instruction given to a previously appointed proxy, must, in order to be valid, be transmitted so as to be received by Share Registrars Limited (ID 7RA36) no later than 12.00 noon on Wednesday 23 April 2025 (or, if the Meeting is adjourned, no later than 48 hours (excluding any part of a day that is not a working day) before the time of any adjourned meeting). For this purpose, the time of receipt will be taken to be the time (as determined by the timestamp applied to the message by the CREST Applications Host) from which Share Registrars Limited is able to retrieve

Macaulay Capital Plc (“The Company”) Notice of Annual General Meeting Registered in England and Wales No. 14105915

the message by enquiry to CREST in the manner prescribed by CREST. After this time, any change of instructions to proxies appointed through CREST should be communicated to the appointee through other means.

CREST members and, where applicable, their CREST sponsors or voting service providers should note that Euroclear UK & Ireland Limited does not make available special procedures in CREST for any particular messages. Normal system timings and limitations will therefore apply in relation to the input of CREST Proxy Instructions. It is the responsibility of the CREST member concerned to take (or, if the CREST member is a CREST personal member or sponsored member or has appointed a voting service provider(s), to procure that his or her CREST sponsor or voting service provider(s) take(s)) such action as shall be necessary to ensure that a message is transmitted by means of the CREST system by any particular time. In this connection, CREST members and, where applicable, their CREST sponsors or voting service providers are referred, in particular, to those sections of the CREST Manual concerning practical limitations of the CREST system and timings.

The Company may treat a CREST Proxy Instruction as invalid in the circumstances set out in Regulation 35(5)(a) of the Uncertificated Securities Regulations 2001.

Appointment of proxy by joint members

9. *In the case of joint holders, where more than one of the joint holders purports to appoint a proxy, only the appointment submitted by the most senior holder will be accepted. Seniority is determined by the order in which the names of the joint holders appear in the Company's register of members in respect of the joint holding (the first-named being the most senior).*

Changing proxy instructions

10. *To change your proxy instructions simply submit a new proxy appointment using the methods set out above. Note that the cut-off time for receipt of proxy appointments (see above) also apply in relation to amended instructions; any amended proxy appointment received after the relevant cut-off time will be disregarded.*

Where you have appointed a proxy using the hard-copy proxy form and would like to change the instructions using another hard-copy proxy form, please contact Share Registrars Limited on 01252 821 390.

If you submit more than one valid proxy appointment, the appointment received last before the latest time for the receipt of proxies will take precedence.

Termination of proxy appointments

11. *In order to revoke a proxy instruction you will need to inform the Company using one of the following methods:*

By sending a signed hard copy notice clearly stating your intention to revoke your proxy appointment to Share Registrars Limited at 3 The Millennium Centre, Crosby Way, Farnham, Surrey GU9 7XX. In the case of a member which is a company, the revocation notice must be executed under its common seal or signed on its behalf by an officer of the company or an attorney for the company. Any power of attorney or any other authority under which the revocation notice is signed (or a duly certified copy of such power or authority) must be included with the revocation notice.

In either case, the revocation notice must be received by Share Registrars Limited no later than 48 hours (excluding non-business days) prior to the Meeting.

If you attempt to revoke your proxy appointment but the revocation is received after the time specified then, subject to the paragraph directly below, your proxy appointment will remain valid.

Appointment of a proxy does not preclude you from attending the Meeting and voting in person. If you have appointed a proxy and attend the Meeting in person, your proxy appointment will automatically be terminated.

Issued shares and total voting rights

12. *As at 4 March 2025, the Company's issued share capital comprised 15,100,000 ordinary shares of 10p each. No ordinary shares are held in treasury. Each ordinary share carries the right to one vote at an Annual General Meeting of the Company and, therefore, the total number of voting rights in the Company as at 4 March 2025 is 15,100,000.*

Communications with the Company

13. *Except as provided above, members who have general queries about the Meeting should telephone the Company Secretary on 01392 487 056 (no other methods of communication will be accepted). You may not use any electronic address provided either in this notice of general meeting; or any related documents (including the chairman's letter and proxy form), to communicate with the Company for any purposes other than those expressly stated.*

**Macaulay Capital Plc (“The Company”)
Notice of Annual General Meeting
Registered in England and Wales No. 14105915**

Website

14. This notice, together with information about the total number of shares in the Company in respect of which members are entitled to exercise voting rights at the meeting at 3 March 2025 (the business day prior to the approval of this Notice) and, if applicable, any members’ statements, members’ resolutions or members’ matter of business received by the Company after the date of this Notice, will be available on the Company’s website: <https://www.macaulaycapital.com/>