

Registered number: 14105915

Macaulay Capital Plc
Annual Report and Financial Statements
for the Period 13 May 2022 to 31 December 2022

Macaulay Capital Plc

COMPANY INFORMATION

Directors

Lindsay K A Mair (Non-executive Chairman, appointed 13 May 2022)
David A Horner (Managing Director, appointed 13 May 2022)
Richard H Bucknell (Chief Investment Officer, appointed 17 May 2022)

Company Secretary & Registered Office

ISCA Administration Services Limited
Suite 8, Bridge House
Courtenay Street
Newton Abbot
TQ12 2QS

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
SEDOL	BNKBMF2
ISIN	GB00BNKBMF25
LEI	213800ZJXFVLJQC7OV11

Macaulay Capital Plc

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Macaulay Capital Plc Chairman's Statement For the Period Ended 31 December 2022

I am delighted to be writing this inaugural Chairman's statement for Macaulay Capital Plc ("Macaulay") and to welcome all Shareholders to the Group following the flotation of the Company on 29 July 2022.

These accounts are for the period from Macaulay's incorporation on 13 May 2022 to our year end of 31 December 2022.

Background

When we embarked on the fundraise and admission to trading on the Aquis Stock Exchange Growth Market we had hoped for admission to have been achieved by the end of April 2022. In the event, whilst the fundraising was complete, for reasons wholly unrelated to the Group, a whole host of clearing banks turned down the opportunity to provide the simple banking services we required. Fortunately, the historical, enlightened, and pragmatic Hoare and Co stepped forward and we were able to complete the IPO.

Our share capital comprises 10,000,000 shares which were issued at 20p per share, raising a gross total of £2 million, made up of £100,000 raised prior to admission and an additional £1.9 million raised on flotation.

The Horner Family is collectively the largest shareholder block with a total of 2.1 million shares (21.0%) today, which we expect to increase by a further 6 million shares over the next 15 months to 8.1 million shares (50.3%), through the exercise of warrants priced at 25p per share.

Much work has been done to position the Group well for the future, including establishing the compliance and regulatory framework, building the website, setting up the processes for onboarding potential investors in the Macaulay transactions and building our pipeline of potential opportunities, which is of course changing the whole time.

In early 2022 we considered embarking on the process of FCA authorisation as an independent company but felt that this might lead to further delays in establishing Macaulay. We therefore opted to be an Appointed Representative of The Fund Incubator Limited. Whilst this is a satisfactory solution for the time being, we wish to be completely independent in the future and will, when time permits, commence the lengthy and expensive process of seeking FCA authorisation.

Trading Activities

In May 2022 we completed the first Macaulay transaction, assisting Devonvale Limited's ("Devonvale") management team to buy out the company's founders. Devonvale was established in Honiton in 2002 and is a manufacturer of flapjacks, cakes and cereal bars. We established Vale Foods (Holdings) Limited to effect the buyout in conjunction with Martin Loader (Managing Director) and an incoming Executive Chairman, Tony Revill-Johnson, and invested £1 million, subscribing for 40% of the equity for £86,000 and for £914,000 of loan stock with a coupon of 8%.

As this transaction was ready to complete prior to the Company's fundraise and admission to AQSE and we did not want to delay or fail to achieve its completion, the Horner Family provided the interim funding required for the investment. Accordingly, Macaulay invested £200,000 and £800,000 was invested by the Horner Family. By the end of 2022, the Horner Family had successfully sold down all of the £800,000 portion at cost to third party investors introduced by Macaulay.

Macaulay Capital Plc
Chairman's Statement
For the Period Ended 31 December 2022

We are pleased to say that some six months from the purchase, Devonvale is performing in line with expectations.

On 23 March 2023 we announced the completion of another transaction, being the secondary management buy-out of Camloc Motion Control Limited, an established Midlands based precision engineering business which manufactures compression struts and dampers. This was bought from a private equity fund managed by Foresight plc and again we partnered with the incumbent management team. In this case Macaulay has taken on some £700,000 of the total fundraise of approximately £1.55 million and intends to sell down £500,000 of its investment in due course. Given the total funding was made up of £52,666 for approximately 52.7% of the equity and £1,498,359 in 8% loan stock, Macaulay will be earning a significantly enhanced coupon on its investment over the "usual" £200,000.

We have found that as we meet and explain Macaulay's operations to potential future investors, they ask what we have available for them to invest in. So, going forward we might well have a "stock" of investments which are earning a good running yield for Macaulay, thus enabling us to present potential investors with an immediate range of opportunities.

The Legacy Portfolio

In addition to Devonvale, Macaulay manages the investment portfolio transferred from Chelverton Asset Management Limited, (the "Legacy Portfolio" and "CAM" respectively). The Legacy Portfolio consists of five investments previously carried out by the "Macaulay Team" as part of CAM and financed by the group of investors coming under the Chelverton Investor Club banner. All of the agreements between CAM and the Legacy Portfolio companies have been novated to Macaulay giving it direct responsibility for on-going monitoring activities and entitling it to management fees, together with the potential for additional performance fees on exit.

Investors

Having a pool of potential investors for the underlying opportunities that Macaulay creates is a business imperative. However, there is a "Catch 22" – which is that when we have investment opportunities for people we attract their interest - but unless we have a critical mass of investors to fund any given transaction it can be difficult to attract investment opportunities.

Our marketing efforts are aimed at trying to find people like us, who consider the area of the market in which we operate to be underserved. We aim to create shareholder value through the identification of opportunities to invest in established companies which, if they were ten times larger, would attract much greater interest and would therefore command a much higher rating.

We have also been trying to impress on potential investors the importance of investing across a range of our opportunities and building a portfolio by investing in transactions created by Macaulay over several years and thus reducing their investment risk.

Outlook

As we expected we are finding no shortage of investment opportunities to consider. As we are highly selective, we reject the majority of these, taking on only a handful to offer stage and then finally presenting an even smaller number, say 3 – 5 a year, to potential investors.

Macaulay Capital Plc
Chairman's Statement
For the Period Ended 31 December 2022

The process is time-consuming and often unrewarding but necessary to achieve good outcomes for us and our fellow investors. We will continue marketing and introducing "the Macaulay Approach" to

High-Net-Worth individuals and Family Offices for whom what we do, particularly in a time of rising Inheritance Tax Assessments, should be of great interest.

We are pleased with the progress that has been made to date and fully expect to make greater steps forward in the current year.

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

Lindsay Mair
Chairman
12 May 2023

Macaulay Capital Plc
Strategic Report
For the Period Ended 31 December 2022

Introduction

Macaulay Capital Plc is pleased to announce the Group and Company's results and strategic report for the period from 13 May 2022 to 31 December 2022. The results incorporate the results of the Company's 100% owned subsidiary Macaulay Management Limited ("MML") from its date of incorporation on 14 October 2021 to 31 December 2022.

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 Company is classified as an Enterprise Company under the AQSE Exchange Rules because a significant proportion of its business and assets will comprise investments in other companies. 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 14 to 16. 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 3.

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 in these two companies and also five 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 key to 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 Period Ended 31 December 2022

Performance review

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

KPI	As at/period ended 31 December 2022 £'000	Comment
Cash balance	1,189	-
Revenues	119	As a newly incorporated business, the Group is building its revenues
Profit before tax	(385)	The Group has a low cost base and plans to reach breakeven/become cash positive as it builds its revenues
Net asset value	1,438	The Group intends to increase its net asset value by investing in good businesses which, over time and as realisations occur, increase the Group’s net asset value
Share price	25.5p	Good performance by the business should be reflected in the Company’s share price

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 period.

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 are generally made in profitable and established companies using structures incorporating loan notes as well as equity to maximise returns for investors and reduce their risk.
- **Alignment of interests:** Macaulay generally co-invests, thus aligning its interests to those of 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.
- **Acts with integrity:** Being open, honest and transparent are core to our philosophy and help build enduring and trusting relationships.

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

Macaulay Capital Plc
Strategic Report
For the Period Ended 31 December 2022

Section 172 statement (continued)

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. The senior management including the Company's Directors meet regularly to discuss all aspects of the business.

Shareholders

As an investment company the Shareholders are key to the long-term success of the Company and Group. The support and engagement of Shareholders is imperative to the future success of the business. The Board ensure that it acts fairly with regard to Shareholders and there is an ongoing dialogue with a number of our investors.

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 maintain an open dialogue with them.

Suppliers

The Group relies on the provision of outside parties to operate and has engaged with several advisers to assist and advise it in connection with investments, in connection with its listing, 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 12 May 2023 and signed on its behalf:

Lindsay Mair
Chairman

Macaulay Capital Plc

Directors' Report

For the Period Ended 31 December 2022

The Directors present their report and the financial statements for the period ended 31 December 2022.

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;
- 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 £384,994. 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 (Age 65), 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.

Macaulay Capital Plc

Directors' Report (continued) For the Period Ended 31 December 2022

David Alistair Horner (Age 63), 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 CAM which specialises in managing portfolios of investments in private companies and small to medium sized public companies. He is the managing director of CAM. He set up and manages Chelverton Growth Trust plc, manages the Chelverton UK Dividend Trust plc and is Chairman of AIM listed CEPS plc. David Horner resigned his membership of the ICAEW as his work became focused on fund management.

Richard Bucknell (Age 53) 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

The future developments of the Group are discussed in the Chairmans statement.

Financial instruments

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

The main financial risks arising from the Group's activities are 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. During the period the Group completed a fundraising of £2.0 million through the issue of new shares. These funds will be used to make investments in the equity capital or loan stock of suitable business and for working capital.

Credit risk

The Group's principal financial assets are 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 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 2024, the Directors confirm that they consider that adopting the going concern basis is appropriate.

At the 31 December 2022 the Group had cash balances of approximately £1.2 million and 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.

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Directors' Report (continued)
For the Period Ended 31 December 2022

Disclosure of information to auditor

Each of the persons who are Directors 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 ought to have been 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 2022.

	Number of shares	% of total voting rights
H Horner	1,000,000	10.0%
T Horner	1,000,000	10.0%

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 32 to 35 of this Report. Resolutions will be proposed to receive and adopt the Annual Report and Financial Statements, election of Directors, being the first meeting since their appointment and the re-appointment of 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 rather than a named person, who will ensure that the vote will count. 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, Suite 8, Bridge House, Courtenay Street, Newton Abbot TQ12 2QS. 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
12 May 2023

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc for the period ended 31 December 2022

Opinion

We have audited the financial statements of Macaulay Capital Plc (the 'parent company') and its subsidiary (the 'Group') for the period ended 31 December 2022 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 1 – 20 in 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 2022 and of its loss for the period then ended;
- the financial statements have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice
- 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'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.

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc (continued) for the Period ended 31 December 2022

Key audit matter – Group**How our audit addressed the key audit matter****Valuation, ownership and existence of investments**

The Group's investment portfolio is one of the key drivers of its results, 100% of which is in an unquoted investment in line with the Group's strategy.

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.

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.

Further, we also considered the economic environment in which the investments operate in, to identify factors that could impact the investment valuation.

Ownership and existence are also considered significant risks. We confirmed investment holdings to share certificates and Companies House.

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 £26,000, 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 £1,000, 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 profit 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

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc (continued) for the Period ended 31 December 2022

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

We have nothing to report in this regard.

Opinions on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

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

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

- adequate accounting records have not been kept 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 pages 7 and 9, 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's 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.

Macaulay Capital Plc

Independent Auditor's Report to the Members of Macaulay Capital Plc (continued) for the Period ended 31 December 2022

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:

In identifying and assessing risks of material misstatement in respect of fraud, including irregularities and non-compliance with laws and regulations, our procedures included the following:

We obtained an understanding of the legal and regulatory frameworks applicable to the Company financial statements or that had a fundamental effect on the operations of the Company. We determined that the most significant laws and regulations included the application of International Financial Reporting Standards (IFRSs), Companies Act 2006 and taxation laws.

We understood how the Company is complying with those legal and regulatory frameworks by making inquiries of management, and those responsible for legal and compliance procedures, and;

We assessed the susceptibility of the Company's financial statements to material misstatement including how fraud might occur. Audit procedures performed by the engagement team included:

- identifying and assessing the design effectiveness of controls management has in place to prevent and detect fraud;
- understanding how those charged with governance considered and addressed the potential for override of controls or other inappropriate influence over the financial reporting process;
- challenging assumptions and judgements made by management in its significant accounting estimates; and
- identifying and testing journal entries, in particular any journal entries with unusual characteristics.

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

12 May 2023

Macaulay Capital Plc

Consolidated Statement of Comprehensive Income for the period ended 31 December 2022

	Notes	Period to 31 December 2022 £
Income	4	118,737
Other expenses	5/6	<u>(502,827)</u>
Loss on ordinary activities before interest and taxation		(384,090)
Loan interest	7	<u>(904)</u>
Loss on ordinary activities before taxation		<u>(384,994)</u>
Taxation	8	<u>-</u>
Loss on ordinary activities after taxation		<u>(384,994)</u>
Loss per Ordinary share in pence	10	<u>(3.85)</u>

The notes on pages 20 to 31 form part of these financial statements

Macaulay Capital Plc

Consolidated Balance Sheet For the period ended 31 December 2022

	Notes	2022 £
Fixed assets		
Tangible assets	11	4,219
Investments at fair value through profit or loss	12	<u>200,000</u>
		204,219
Current assets		
Debtors: amounts falling due within one year	14	104,962
Cash at bank and in hand		<u>1,189,219</u>
		<u>1,294,181</u>
Creditors: amounts falling due within one year		
Other creditors and accruals	15	<u>(60,394)</u>
Net current assets		<u>1,233,787</u>
Net assets		<u>1,438,006</u>
Capital and reserves		
Called up share capital	16	1,000,000
Share premium account	2.17	823,000
Profit and loss account		<u>(384,994)</u>
Shareholders' funds		<u>1,438,006</u>

The financial statements were approved and authorised for issue by the Board and were signed on its behalf on 12 May 2023.

Lindsay Mair
Director

The notes on pages 20 to 31 form part of these financial statements

Macaulay Capital Plc

Company Balance Sheet for the period ended 31 December 2022

	Notes	2022 £
Fixed assets		
Investments in subsidiary	13	<u>1,000,000</u>
		1,000,000
Current assets		
Debtors: amounts falling due within one year	14	28,517
Cash at bank and in hand		<u>1,082,652</u>
		<u>1,111,169</u>
Creditors: amounts falling due within one year		
Other creditors and accruals	15	<u>(390,814)</u>
Net current assets		<u>720,355</u>
Net assets		<u>1,720,355</u>
Capital and reserves		
Called up share capital	16	1,000,000
Share premium account		823,000
Profit and loss account		<u>(102,645)</u>
Equity Shareholders' funds		<u>1,720,355</u>

The financial statements were approved and authorised for issue by the Board on 12 May 2023 and were signed on its behalf by

Lindsay Mair
Director

The notes on pages 20 to 31 form part of these financial statements.

Macaulay Capital Plc

Consolidated Statement of Changes in Equity for the period ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 13 May 2022	-	-	-	-
Total comprehensive income for the period:				
Loss for the period	-	-	(384,994)	(384,994)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	1,000,000	1,000,000	-	2,000,000
Expenses of share issue	-	(175,000)	-	(175,000)
Irrecoverable VAT on share issue expenses	-	(2,000)	-	(2,000)
At 31 December 2022	1,000,000	823,000	(384,994)	1,438,006

The notes on pages 20 to 31 form part of these financial statements.

Macaulay Capital Plc

Company Statement of Changes in Equity for the period ended 31 December 2022

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 13 May 2022	-	-	-	-
Total comprehensive income for the period:				
Loss for the period	-	-	(102,645)	(102,645)
Transactions with Shareholders recorded directly to equity:				
Issue of Ordinary shares	1,000,000	1,000,000	-	2,000,000
Expenses of share issue	-	(175,000)	-	(175,000)
Irrecoverable VAT on share issue expenses	-	(2,000)	-	(2,000)
At 31 December 2022	1,000,000	823,000	(102,645)	1,720,355

The notes on pages 20 to 31 form part of these financial statements.

Macaulay Capital Plc

Consolidated Cash Flow for the period ended 31 December 2022

	2022
	£
Cash flows used in operating activities:	
Loss for the year	(384,994)
Adjusted for:	
Depreciation of assets	1,407
Interest paid	904
Increase in debtors	(104,962)
Increase in creditors	60,394
Net cash used in operating activities	<u>(427,251)</u>
Cash used in investing activities:	
Purchase of investments	(200,000)
Purchase of fixed assets	(5,626)
Net cash used in investing activities	<u>(205,626)</u>
Cash flows generated from financing activities:	
Issue of Ordinary shares	2,000,000
Share issue expenses (including irrecoverable VAT)	(177,000)
Interest paid	(904)
Net cash generated from financing activities	<u>1,822,096</u>
Net increase in cash and cash equivalents	<u>1,189,219</u>
Reconciliation of net cash flow to movement in net cash:	
Increase in cash	1,189,219
Net cash at start of period	<u>-</u>
Net cash at end of period	<u>1,189,219</u>

The notes on pages 20 to 31 form part of these financial statements.

Macaulay Capital Plc

Notes to the Financial Statements for the period ended 31 December 2022

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 Suite 8, Bridge House, Courtenay Street, Newton Abbot, TQ12 2QS.

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 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, (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 period 14 October 2021 to 31 December 2022 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. Having reviewed cash flow forecasts for the period to December 2024, 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), the working arrangements of key service providers, the impact of the conflict in

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

2.3 Going concern (continued)

Ukraine 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 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 period derive from the Group's external investments and its investments and are recognised on an accruals basis. The Group is not reliant on any one customer.

2.5 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.

2.6 Investment in subsidiaries

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

2.7 Investments

Investments are measured initially at cost and at subsequent reporting dates at fair value and derecognised at the trade date.

2.8 Debtors

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

2.9 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.

2.10 Financial instruments

The Group only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

2.10 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 income statement.

2.11 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.

2.12 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 Profit and Loss account when they fall due. Amounts not paid are shown in accruals as a liability in the Balance Sheet. The current employees have opted out of the Scheme and hence there will be no charge in the Profit and Loss account going forward.

2.13 Interest income

Interest income is recognised in the consolidated profit or loss using the effective interest method.

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 outstanding 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.

2.15 Dividend policy

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

2.16 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:

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

2.16 Current and deferred taxation (continued)

- 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.

2.17 Reserves

Share premium account

The share premium account represents the accumulated premium paid for shares issued in previous periods 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.

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

The Group makes judgements, estimates and assumptions that affect the application of policies and the carrying values of assets and liabilities, income and expenses. The resulting accounting estimates calculated using these judgements will, by definition, seldom equal the related actual results but are based on the experience of the Directors and the expectation of future events. The estimates are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised.

The principal areas where judgement is exercised are as follows:

Investments - all investments are held at fair value through profit or loss and the Directors assess the carrying value of investments as appropriate to assess whether an impairment is required.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

4 Income

	Period to 31 December 2022
	£
Arrangement fees	35,000
Monitoring fees	74,722
Loan stock interest	9,015
	<hr/> 118,737 <hr/>

5 Other expenses

	Period to 31 December 2022
	£
Administration and secretarial services	10,417
Auditor's remuneration for:	
- Audit services	15,000
- Non-audit services	6,319
Legal & professional fees	53,547
Irrecoverable VAT	15,897
Other expenses	113,781
	<hr/> 214,961 <hr/>

The Audit fee paid by the Company was £9,500.

6 Directors' remuneration and employee costs

	Period to 31 December 2022
	£
Directors' fees	88,449
Director's healthcare	459
Staff salaries	172,975
Pension contributions	2,345
Employer's national insurance	23,638
	<hr/> 287,866 <hr/>

The average number of employees for the Group was 4.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

7 Loan and loan interest

On 18 May 2022 Macaulay Management Limited entered into a £200,000 loan agreement with Chelverton Asset Management Limited ("CAM"), a Company of which David Horner is a Director, at an annual interest rate of 4%.

An amount of £70,000 was repaid on 26 August 2022, a further £90,000 was repaid on 31 August 2022 and the outstanding balance of £40,000 was repaid on 1 September 2022.

Total interest payable during the period amounted to £904. At 31 December 2022 the balance outstanding was £nil.

8 Taxation

	Period to 31 December 2022
	£
Analysis of charge in period	
Current tax	-
	<hr/>
	<hr/>

Factors affecting current tax charge for the year

The tax assessed for the year is lower than the standard rate of corporation tax in the UK of 19%. The differences are explained below:

	Period to 31 December 2022
	£
Loss on ordinary activities	(384,994)
Theoretical tax at UK corporation tax rate of 19%	
Corporation tax	(73,149)
Ineligible depreciation	267
Expenses not deductible for tax purposes	-
Excess expenses for the year	72,882
Current tax charge for the year	<hr/>
	<hr/>

Factors that may affect future tax charges

At 31 December 2022 the Company had surplus management expenses of £383,587.

The UK government has announced that with effect from 1 April 2023 the Corporation Tax rate will be increased to 25% for companies with profits over £250,000, with a small profits rate of 19% applying to companies with profits of not more than £50,000, with marginal relief available for profits up to £250,000.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

9 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 £102,645.

10 Loss per share

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

	Period to 31 December 2022
Loss after taxation attributable to Ordinary shareholders (£)	(384,994)
Weighted average Ordinary shares in issue	10,000,000
Loss per Ordinary share - basic and diluted (pence)	(3.85)

11 Tangible fixed assets

	31 December 2022 Group Computer equipment £
Cost or valuation	
At 13 May 2022	-
Additions	5,626
Disposals	-
At 31 December 2022	<u>5,626</u>
Depreciation	
At 13 May 2022	-
Charge for the period	1,407
At 31 December 2022	<u>1,407</u>
Net book value at 31 December 2022	<u><u>4,219</u></u>

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

12. Investments

	31 December 2022
	Group
	£
Investments held at fair value through profit or loss	
Opening book cost	-
Opening net investment holding gains	-
Opening valuation	-
Movements in the year:	
Purchases at cost	200,000
Movement in investment holding gains	-
Closing valuation	200,000
Closing book cost	200,000
Closing investment holding gains	-
Closing valuation	200,000

13. Investment in subsidiary undertaking

	31 December 2022
	Company
	£
At 13 May 2022	-
Additions	1,000,000
Net value at 31 December 2022	1,000,000

At 31 December 2022 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.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

14. Debtors

	Group	Company
	31 December 2022	31 December 2022
	£	£
Due within one year:		
Trade debtors	58,781	-
Other debtors	31,920	23,949
Prepayments and accrued income	14,261	4,568
	104,962	28,517

15. Creditors amounts falling due within one year

	Group	Company
	31 December 2022	31 December 2022
	£	£
Amounts due to subsidiary	-	350,908
Trade creditors	4,173	963
Other taxation and social security	12,155	7,391
Accruals and other creditors	44,066	31,552
	60,394	390,814

16. Called up share capital

	Group and Company	
	31 December 2022	31 December 2022
	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

The Company may adopt a formal incentive plan under which it contemplates awarding Share Options to Directors, employees and consultants pursuant to share option and incentive schemes approved by the Board. It is intended that any individual awards under any such scheme will be subject to vesting and/or performance conditions. The proportion of Ordinary Shares which will be made the subject of Share Options will not exceed 20 per cent. of the Company's issued Ordinary Share capital from time to time without the prior approval of the Shareholders and no Share Options are intended to be granted to David Horner.

Founder Warrants

Unconditional Founder Warrants have been issued to subscribe for 6,000,000 Ordinary Shares exercisable at £0.25 per share and which the Founder Warrant Holders have irrevocably undertaken to exercise in full within two years of admission; and

Conditional Founder Warrants have been issued to subscribe for a further 5,000,000 Ordinary Shares, exercisable at the higher of £0.25 per share or the mid-market price of an Ordinary Share at the time of exercise, conditional on the exercise of Share Options and in numbers of up to a maximum of (but not exceeding) the numbers of Ordinary Shares issued following the exercise of such Share Options.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

17. Pension commitments

The Group operates a contributory pension scheme. The pension cost charge represents contributions payable by the Group to the fund and amounted to £2,345. All of the employees as at the year end have opted out of the scheme and there were no contributions payable to the fund at the balance sheet date.

18. Capital commitments

At 31 December 2022, there were no capital commitments outstanding and no contingent liabilities.

19. 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 2022.

	Number of shares	% of total voting rights
David Horner	50,000	0.5%
Mary Horner	50,000	0.5%
Lindsay Mair	125,000	1.25%

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.

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 will be entitled to exercise, or to control the exercise of, 10 per cent or more 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.

The loan transactions described below to which the Company is a party, each of which was formalised on the terms of loan agreements with the Company on 25 July 2022, are related party transactions, for the purposes of the AQSE Growth Market Access Rulebook, because the lender in each case was either David Horner or CAM.

A loan from CAM to MML in the principal amount of £200,000 was made to the Company on 18 May 2022 in order to enable the Group to make an investment. The benefit to the Company of receipt of the loan was to enable it to fund the investment, which it would not have been able to do if the loan had not been made available.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

The loan was repayable to CAM by the Company no later than the fifth business day following admission and its terms include a guarantee from David Horner in respect of MML's liabilities to CAM in respect of the loan. The loan bore interest at the rate of 4% per annum from the date of drawdown to the date of repayment. As stated in note 7 the loan has been fully repaid.

A loan facility from David Horner to MML in the aggregate principal amount of £100,000, for the amount of sums paid by him on behalf of MML during the period from 1 November 2022 to 20 July 2022 in respect of payroll expenses incurred by MML. This was of benefit to the Company because MML did not have available funds to meet these liabilities itself. The loan has now been repaid to David Horner by the Company and did not bear interest.

A loan facility from CAM to MML in the aggregate principal amount of £150,000, which has now been repaid, representing the aggregate amount of sums paid by CAM on behalf of the Company or MML during the period from 14 October 2021, the date of incorporation of MML, to 20 July 2022 in respect of various invoiced liabilities of the Company or of MML. This was of benefit to the Company because the Company and MML did not have available funds to meet these liabilities themselves. The loan did not bear interest.

A capital contribution of £9,475 made by David Horner in respect of costs and expenses payable by the Company in relation to admission so as to limit such costs and expenses to the amount of £175,000 net of VAT. This contribution was set against the balance of the £100,000 loan described above and paid by MML to the Company in accordance with a letter of direction from David Horner to MML to that effect, reducing the amount owed to David Horner by the Company.

Others

MML has agreed to take over the investment management of the unquoted investment portfolio of CAM, which David Horner, a director of the Company, founded and of which he is managing director. In line with its strategy, CAM's current and future focus is on quoted companies, rather than unquoted businesses, and therefore the unquoted portfolio is now insignificant, relative to CAM's quoted company portfolio.

In the period 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 £7,500, equivalent to the pro-rata cost of the operations manager's employment to the Group.

20. 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.

Macaulay Capital Plc

Notes to the Financial Statements (continued) for the period ended 31 December 2022

20. Financial instruments (continued)

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

Group	At amortised	Assets at fair	Total
31 December 2022	cost	value through	£
Assets as per the Balance Sheet	£	profit or loss	£
		£	
Investments	-	200,000	200,000
Debtors	58,781	-	58,781
Cash and cash equivalents	1,189,219	-	1,189,219
Total	1,248,000	200,000	1,448,000

Liabilities as per the Balance Sheet

Creditors	48,239	-	48,239
Total	48,239	-	48,239

Company	At amortised	Assets at fair	Total
31 December 2022	cost	value through	£
Assets as per the balance sheet	£	profit or loss	£
		£	
Cash and cash equivalents	1,082,652	-	1,082,652
Total	1,082,652	-	1,082,652

Liabilities as per the balance sheet

Creditors	383,423	-	383,423
Total	383,423	-	383,423

Macaulay Capital Plc (“The Company”)

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

Notice is hereby given that the first 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 Tuesday 6 June 2023 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 of the Company for the period ended 31 December 2022 together with the Directors’ Report and Auditor’s Report thereon. |
| Resolution 2 | To elect Lindsay Mair as a Director of the Company. |
| Resolution 3 | To elect Richard Bucknell as a Director of the Company |
| Resolution 4 | To 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
Suite 8, Bridge House
Courtenay Street
Newton Abbot
TQ12 2QS

By order of the Board
ISCA Administration
Services Limited
Secretary
12 May 2023

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 logging on to 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 Friday 2 June 2023 (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 the

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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 12 May 2023, the Company's issued share capital comprised 10,000,000 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 12 May 2023 is 10,000,000.*

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.*

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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 11 May 2023 (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/>