

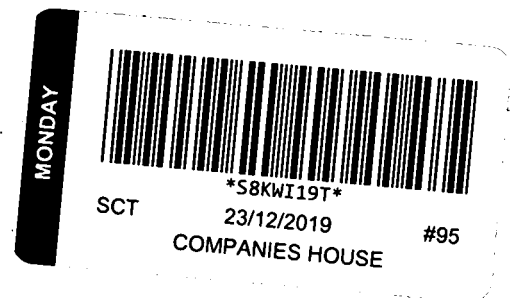
Company Registration No. 08647103 (England and Wales)

**COBALT PROJECT INVESTMENTS LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2019**

**COMPANIES HOUSE**  
**EDINBURGH**

**23 DEC 2019**

**FRONT DESK**



# **COBALT PROJECT INVESTMENTS LIMITED**

## **COMPANY INFORMATION**

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<b>Directors</b>	J McDonagh A Ray
<b>Secretaries</b>	Pinsent Masons Secretarial Limited Jennifer McKay
<b>Company number</b>	08647103
<b>Registered office</b>	1 Park Row Leeds United Kingdom LS1 5AB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

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# **COBALT PROJECT INVESTMENTS LIMITED**

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# **COBALT PROJECT INVESTMENTS LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors present their annual report and audited financial statements for the year ended 31 March 2019.

### **Principal activities**

The principal activity of Cobalt Project Investments Limited ("the Company") is that of investing in secondary PFI projects.

### **Directors**

The directors who held office during the year and up to the date of signature of the financial statements were as follows:

J McDonagh

A Ray

M Ryan

(Resigned 31 August 2018)

### **Results and dividends**

The results for the year are set out on page 7.

The loss for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

### **Qualifying third party indemnity provisions**

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

### **Independent Auditors**

The auditors, PricewaterhouseCoopers LLP, are deemed to be reappointed under section 487(2) of the Companies Act 2006.

### **Statement of disclosure to auditors**

So far as each person who was a director at the date of approving this report is aware, there is no relevant audit information of which the Company's auditors are unaware. Additionally, the directors individually have taken all the necessary steps that they ought to have taken as directors in order to make themselves aware of all relevant audit information and to establish that the Company's auditors are aware of that information.

# **COBALT PROJECT INVESTMENTS LIMITED**

## **DIRECTORS' REPORT (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **Going concern**

The board has prepared detailed financial forecasts and cash flows looking over 12 months ahead from the date the financial statements are signed. In drawing up these forecasts, the board has made assumptions based upon its view of the current and future economic condition that will prevail over the forecast period.

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Company should be able to operate within the level of its current resources. The Company's going concern is dependent on the performance of its investments held by its subsidiaries and associates. After reviewing the performance of these investments, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future, despite any economic uncertainties. In forming this conclusion, it has been taken into consideration that all committed investments of the Company and its subsidiary holding companies are covered by commitments from the partners of the Dalmore Capital Fund LP and Cobalt Project Investments LP ("the Funds").

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the year end financial statements. Dalmore Capital 2 GP Limited has provided a letter of support to the company in its capacity as general partner of Dalmore Capital Fund LP, the ultimate controlling party. This letter states that Dalmore Capital Fund LP will not discontinue providing support in the 12 month period from signing of the financial statements.

### **Key performance indicators**

In its role as a holding company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the underlying investments are assessed every six months by testing the cash resources against the bank lending covenants. The key indicator being the debt service cover ratio. The investments are performing well and have been compliant with the covenants laid out in their respective loan agreements.

### **Small company provisions**

This report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption contained within Part 15 of the Companies Act 2006.

On behalf of the board

  
.....  
J McDonagh

Director

23/12/2019

# **COBALT PROJECT INVESTMENTS LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT**

**FOR THE YEAR ENDED 31 MARCH 2019**

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The directors are responsible for preparing the annual report and the financial statements in accordance with applicable law and regulation.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law). 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 of the profit or loss of the company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006.

# **COBALT PROJECT INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT**

### **TO THE MEMBERS OF COBALT PROJECT INVESTMENTS LIMITED**

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#### **Report on the audit of the financial statements**

##### **Opinion**

In our opinion, Cobalt Project Investments Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland", and applicable law); and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements, included within the Annual Report and Financial Statements (the "Annual Report"), which comprise: the statement of financial position as at 31 March 2019; the statement of comprehensive income, the statement of changes in equity for the year then ended; and the notes to the financial statements, which include a description of the significant accounting policies.

##### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

##### **Independence**

We remained independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, which includes the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

##### **Conclusions relating to going concern**

ISAs (UK) require us to report to you when:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

We have nothing to report in respect of the above matters.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example, the terms on which the United Kingdom may withdraw from the European Union are not clear, and it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

##### **Reporting on other information**

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion on, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

# **COBALT PROJECT INVESTMENTS LIMITED**

## **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

### **TO THE MEMBERS OF COBALT PROJECT INVESTMENTS LIMITED**

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In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If we identify an apparent material inconsistency or material misstatement, we are required to perform procedures to conclude whether there is a material misstatement of the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report based on these responsibilities.

With respect to the Directors' Report, we also considered whether the disclosures required by the UK Companies Act 2006 have been included.

Based on the responsibilities described above and our work undertaken in the course of the audit, ISAs (UK) require us also to report certain opinions and matters as described below.

#### *Directors' Report*

In our opinion, based on the work undertaken in the course of the audit, the information given in the Directors' Report for the year ended 31 March 2019 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we did not identify any material misstatements in the Directors' Report.

#### **Responsibilities for the financial statements and the audit**

##### *Responsibilities of the directors for the financial statements*

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are responsible for the preparation of the financial statements in accordance with the applicable framework and for being satisfied that they give a true and fair view. The directors are also responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

##### *Auditors' 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 auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditors' report.

##### *Use of this report*

This report, including the opinions, has been prepared for and only for the company's members as a body in accordance with Chapter 3 of Part 16 of the Companies Act 2006 and for no other purpose. We do not, in giving these opinions, accept or assume responsibility for any other purpose or to any other person to whom this report is shown or into whose hands it may come save where expressly agreed by our prior consent in writing.



## **COBALT PROJECT INVESTMENTS LIMITED**

### **INDEPENDENT AUDITORS' REPORT (CONTINUED)**

#### **TO THE MEMBERS OF COBALT PROJECT INVESTMENTS LIMITED**

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##### **Other required reporting**

##### **Companies Act 2006 exception reporting**

Under the Companies Act 2006 we are required to report to you if, in our opinion:

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

We have no exceptions to report arising from this responsibility.

##### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; take advantage of the small companies exemption in preparing the Directors' Report; and take advantage of the small companies exemption from preparing a strategic report. We have no exceptions to report arising from this responsibility.



**Paul Cheshire (Senior Statutory Auditor)**  
for and on behalf of PricewaterhouseCoopers LLP  
Chartered Accountants and Statutory Auditors  
Edinburgh  
23/12/2019

# COBALT PROJECT INVESTMENTS LIMITED

## STATEMENT OF COMPREHENSIVE INCOME

FOR THE YEAR ENDED 31 MARCH 2019

		2019	2018
	Note	£	£
Administrative expenses		(13,875)	(22,831)
Interest receivable and similar income	5	3,666,609	5,067,271
Interest payable and similar expenses	6	(7,036,150)	(7,036,134)
<b>Loss before taxation</b>		<b>(3,383,416)</b>	<b>(1,991,694)</b>
Tax on loss	7	-	489,855
<b>Loss for the financial year</b>		<b>(3,383,416)</b>	<b>(1,501,839)</b>

There are no items of other comprehensive income in the current or prior year. The loss for the financial year represents the total comprehensive expense for the year.

The statement of comprehensive income has been prepared on the basis that all operations are continuing operations.

# COBALT PROJECT INVESTMENTS LIMITED


## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2019

	Note	2019 £	2018 £
<b>Fixed assets</b>			
Investments	8	78,972,251	79,333,976
<b>Current assets</b>			
Debtors: amounts falling due within one year	10	1,253,039	1,549,019
Cash at bank and in hand		590,521	911,201
		1,843,560	2,460,220
Creditors: amounts falling due within one year	11	(12,811,006)	(10,405,975)
<b>Net current liabilities</b>		(10,967,446)	(7,945,755)
<b>Total assets less current liabilities</b>		68,004,805	71,388,221
Creditors: amounts falling due after more than one year	12	(82,293,968)	(82,293,968)
<b>Net liabilities</b>		(14,289,163)	(10,905,747)
<b>Capital and reserves</b>			
Called up share capital	13	100	100
Accumulated losses		(14,289,263)	(10,905,847)
<b>Total shareholders' deficit</b>		(14,289,163)	(10,905,747)

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the board of directors and authorised for issue on 23/12/2019 and are signed on its behalf by:



J McDonagh  
Director

Company Registration No. 08647103

# COBALT PROJECT INVESTMENTS LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2019

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2017	100	(9,404,008)	(9,403,908)
Year ended 31 March 2018:			
Loss and total comprehensive expense for the financial year	-	(1,501,839)	(1,501,839)
Balance at 31 March 2018	100	(10,905,847)	(10,905,747)
Year ended 31 March 2019:			
Loss and total comprehensive expense for the financial year	-	(3,383,416)	(3,383,416)
Balance at 31 March 2019	100	(14,289,263)	(14,289,163)

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2019

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### 1 Accounting policies

#### Company information

Cobalt Project Investments Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime.

The financial statements are prepared in sterling, which is the functional currency of the Company.

The financial statements have been prepared under the historical cost convention, modified to include certain financial instruments at fair value. The principal accounting policies adopted are set out below.

#### 1.2 Going concern

The Company has both net current liabilities and net liabilities as at 31 March 2019. Further details with regards to going concern are provided within the Directors' Report.

#### 1.3 Investments

Interests in subsidiaries, associates and jointly controlled entities are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the statement of comprehensive income.

A subsidiary is an entity controlled by the Company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

#### 1.4 Cash and cash equivalents

Cash at bank and in hand are basic financial assets and include cash in hand, deposits held at call with banks, other short-term liquid investments with original maturities of three months or less, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

#### 1.5 Financial instruments

The Company has elected to apply the provisions of Section 11 'Basic Financial Instruments' and Section 12 'Other Financial Instruments Issues' of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's statement of financial position when the Company becomes party to the contractual provisions of the instrument.

Financial assets and liabilities are offset, with the net amounts presented in the financial statements, when there is a legally enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

#### Basic financial assets

Basic financial assets, which include debtors and cash at bank balances, are initially measured at transaction price including transaction costs and are subsequently carried at amortised cost using the effective interest method unless the arrangement constitutes a financing transaction, where the transaction is measured at the present value of the future receipts discounted at a market rate of interest. Financial assets classified as receivable within one year are not amortised.

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### *Impairment of financial assets*

Financial assets, other than those held at fair value through profit and loss, are assessed for indicators of impairment at each reporting end date.

Financial assets are impaired where there is objective evidence that, as a result of one or more events that occurred after the initial recognition of the financial asset, the estimated future cash flows have been affected. If an asset is impaired, the impairment loss is the difference between the carrying amount and the present value of the estimated cash flows discounted at the asset's original effective interest rate. The impairment loss is recognised in profit or loss.

If there is a decrease in the impairment loss arising from an event occurring after the impairment was recognised, the impairment is reversed. The reversal is such that the current carrying amount does not exceed what the carrying amount would have been, had the impairment not previously been recognised. The impairment reversal is recognised in profit or loss.

#### *Derecognition of financial assets*

Financial assets are derecognised only when the contractual rights to the cash flows from the asset expire or are settled, or when the Company transfers the financial asset and substantially all the risks and rewards of ownership to another entity, or if some significant risks and rewards of ownership are retained but control of the asset has transferred to another party that is able to sell the asset in its entirety to an unrelated third party.

#### *Classification of financial liabilities*

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

#### *Basic financial liabilities*

Basic financial liabilities, including creditors and loans from fellow group companies, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future payments discounted at a market rate of interest. Financial liabilities classified as payable within one year are not amortised.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### *Derecognition of financial liabilities*

Financial liabilities are derecognised when the Company's contractual obligations expire or are discharged or cancelled.

### 1.6 Equity instruments

Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the Company.

### 1.7 Taxation

The tax expense represents the sum of the tax currently payable and deferred tax.

#### *Current tax*

The tax currently payable is based on taxable profit for the year. Taxable profit differs from net profit as reported in the statement of comprehensive income because it excludes items of income or expense that are taxable or deductible in other years and it further excludes items that are never taxable or deductible. The Company's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the reporting end date.

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 1 Accounting policies

(Continued)

#### *Deferred tax*

Deferred tax liabilities are generally recognised for all timing differences and deferred tax assets are recognised to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits. Such assets and liabilities are not recognised if the timing difference arises from goodwill or from the initial recognition of other assets and liabilities in a transaction that affects neither the tax profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting end date and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered. Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised. Deferred tax is charged or credited in the statement of comprehensive income, except when it relates to items charged or credited directly to equity, in which case the deferred tax is also dealt with in equity. Deferred tax assets and liabilities are offset when the Company has a legally enforceable right to offset current tax assets and liabilities and the deferred tax assets and liabilities relate to taxes levied by the same tax authority.

#### 1.8 Cash flow

The Company has taken the available exemption from the requirement to draw up a cash flow statement in accordance with paragraph 1.12b of FRS102.

### 2 Judgements and key sources of estimation uncertainty

In the application of the Company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amount of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised where the revision affects only that period, or in the period of the revision and future periods where the revision affects both current and future periods.

#### *Critical judgements*

The following judgements (apart from those involving estimates) have had the most significant effect on amounts recognised in the financial statements.

#### *Valuation of investments*

The directors are required to annually review the Company's investments for indicators that they have been impaired. This requires them to revalue the underlying assets that the Company and its subsidiary are invested in. The valuation method is based on a discounted cash flow model, so the directors are required to make judgements about the most appropriate discount rate, growth rate and the future financial performance of each of the underlying assets. The directors will also consider other factors such as the non-financial performance of the various assets.

### 3 Staff costs and directors' remuneration

The Company had no employees during the financial year (2018: none),

The directors did not receive any remuneration in respect of their services to the Company during the year to 31 March 2019 (2018: £nil).

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 4 Auditors' remuneration

Audit fees of £2,500 (2018: £2,500) and tax compliance services of £nil (2018: £1,700) for the year ended 31 March 2019 were paid by the company

### 5 Interest receivable and similar income

	2019 £	2018 £
Interest receivable and similar income includes the following:		
Income from shares in group undertakings	89,000	1,481,977
Interest receivable from group companies	3,577,609	3,585,294
	<u>          </u>	<u>          </u>

All interest income is derived from the loans made to subsidiary companies.

### 6 Interest payable and similar expenses

	2019 £	2018 £
Interest payable and similar expenses includes the following:		
Interest payable to group and related undertakings	7,036,150	7,036,134
	<u>          </u>	<u>          </u>

### 7 Tax on loss

	2019 £	2018 £
Current tax		
Adjustments in respect of prior years	-	(489,855)
	<u>          </u>	<u>          </u>

The actual charge/(credit) for the year can be reconciled to the expected credit for the year based on the profit or loss and the standard rate of tax as follows:

	2019 £	2018 £
Loss before taxation	(3,383,416)	(1,991,694)
	<u>          </u>	<u>          </u>
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2018: 19.00%)	(642,849)	(378,422)
Tax effect of expenses that are not deductible in determining taxable profit	-	3,129
Tax effect of income not taxable in determining taxable profit	(16,910)	(281,576)
Unutilised tax losses carried forward	659,759	656,869
Adjustments in respect of prior years	-	(489,855)
	<u>          </u>	<u>          </u>
Tax charge/(credit) for the year	-	(489,855)
	<u>          </u>	<u>          </u>



# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 7 Tax on loss

(Continued)

The Company has estimated losses of £13,410,377 (2018: £9,937,961) available for carry forward against future trading profits. These have not been recognised on the basis that these future profits are not sufficiently foreseeable in the near future.

### 8 Investments

	2019 £	2018 £
Investments	49,922,256	49,922,256
Loans	29,049,995	29,411,720
	<u>78,972,251</u>	<u>79,333,976</u>

The Company has advanced loans to its subsidiaries in order for them to make investments. As at 31 March 2019, the Company had the following outstanding loans:

£4,667,160 (2018: £4,667,160) from Cobalt Project Investments (Taycare) Limited. Interest is payable on this loan, which is repayable in 2043, at rate of 10.00%.

£10,672,411 (2018: £10,833,853) from Cobalt CPI Limited. Interest is receivable at a rate of 11.25% and the loan is due to be repaid in 2043.

£13,710,424 (2018: £13,910,707) from Elgin Infrastructure Limited Interest is receivable at a rate of 13.50% and the loan is due to be repaid in 2040.

#### Movements in investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
<b>Cost or valuation</b>			
At 1 April 2018	49,922,256	29,411,720	79,333,976
Repayments	-	(361,725)	(361,725)
At 31 March 2019	<u>49,922,256</u>	<u>29,049,995</u>	<u>78,972,251</u>
<b>Carrying amount</b>			
At 31 March 2019	<u>49,922,256</u>	<u>29,049,995</u>	<u>78,972,251</u>
At 31 March 2018	<u>49,922,256</u>	<u>29,411,720</u>	<u>79,333,976</u>

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 9 Subsidiaries

Details of the company's subsidiaries at 31 March 2019, all of which are incorporated in the United Kingdom, are as follows:

Name of undertaking	Registered office key	Nature of business	Class of shares held	% Held	
				Direct	Indirect
Cobalt CPI Limited	1	Holding company	Ordinary	100.00	
Cobalt Project Investments (Hull BSF) Limited	1	Holding company	Ordinary		100.00
Elgin Lift Limited	3	Holding company	A and B Tracker		100.00
NNT Lift Limited	3	Holding company	Ordinary		100.00
Taycare Health (Holdings) Limited	1	Holding company	Ordinary		100.00
Taycare Health Limited	1	PFI	Ordinary		100.00
Cobalt Project Investments (Taycare) Limited	2	Holding company	Ordinary	100.00	

#### Registered Office addresses:

- 1 13 Queens Road, Aberdeen, AB15 4YL
- 2 1 Park Row, Leeds, LS1 5AB
- 3 c/o Infrastructure Managers Limited, 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

### 10 Debtors: amounts falling due within one year

	2019 £	2018 £
Amounts owed by group and related undertakings	1,052,350	1,348,330
Other debtors	200,689	200,689
	<u>1,253,039</u>	<u>1,549,019</u>

Amounts owed by group and related undertakings are interest free, unsecured and are repayable on demand.

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 11 Creditors: amounts falling due within one year

	2019 £	2018 £
Amounts owed to group undertakings	12,806,806	10,401,775
Other creditors	4,200	4,200
	<u>12,811,006</u>	<u>10,405,975</u>

Amounts owed to group and related undertakings are interest free, unsecured and are repayable on demand.

### 12 Creditors: amounts falling due after more than one year

	2019 £	2018 £
Amounts owed to group and related undertakings	<u>82,293,968</u>	<u>82,293,968</u>

The amounts owed to group and related undertakings relate to loans that have been advanced by the immediate parent Dalmore Capital (Para 1) Limited and Cobalt Project Investments (Issuer) Limited, a company which has a 25% shareholding in the Company. These loans bear an interest rate of 8.55% and have a maturity date of 31 March 2043.

### 13 Called up share capital

	2019 £	2018 £
Ordinary share capital Issued and fully paid 100 (2018: 100) Ordinary shares of £1 each	<u>100</u>	<u>100</u>

# **COBALT PROJECT INVESTMENTS LIMITED**

## **NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**

**FOR THE YEAR ENDED 31 MARCH 2019**

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### **14 Related party transactions**

The Company has taken advantage of the exemption contained in section 33 of FRS 102, not to disclose transactions or balances with entities which form part of a group.

During the year, the Company received dividends of £nil (2018: £1,553,069) and interest of £1,871,074 (2018: £1,903,337) from Elgin Infrastructure Limited, a subsidiary. At the year end, there was interest receivable of £459,589 (2018: £464,964) from Elgin Infrastructure Limited.

As at 31 March 2019, the Company had advanced loans totalling £52,811,968 (2018: £52,811,968) to its immediate parent company, Dalmore Capital (Para 1) Limited. In the year to 31 March 2019, interest of £4,515,423 (2018: £4,515,423) was charged on these loans. The total interest receivable on the loans as at 31 March 2019 was £9,058,738 (2018: £7,612,167).

As at 31 March 2019, the Company had advanced loans totalling £29,482,000 (2018: £29,482,000) to a shareholder, Cobalt Project Investments (Issuer) Limited. In the year to 31 March 2019, interest of £2,520,727 (2018: £2,520,711) was charged on these loans. The total interest receivable on the loans as at 31 March 2019 was £3,471,133 (2018: £2,789,610).

### **15 Controlling party**

The immediate parent undertaking is Dalmore Capital (Para 1) Limited a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate controlling party is Dalmore Capital Fund LP, a limited partnership registered in England. Copies of the financial statements of Dalmore Capital Fund LP are available from the General Partner c/o Dalmore Capital Limited, 2nd Floor, Caledonian Exchange, 19A Canning Street, Edinburgh EH3 8EG.

# COBALT PROJECT INVESTMENTS LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2019

### 16 Related undertakings

In addition to the entities disclosed in note 9, the Company has the following related undertakings all of which are incorporated in the United Kingdom. Unless otherwise stated, all of the holdings that the Company has in each of the entities are indirect - these are stated in brackets after each company name.

Entity with its registered address at c/o Infrastructure Managers Limited, 2nd Floor, 11 Thistle Street, Edinburgh, United Kingdom, EH2 1DF:

- Elgin Education (Aberdeenshire 2) Holdings Limited (35.70%)
- Elgin Education (Aberdeenshire 2) Limited (35.07%)
- Elgin Education (Forfar & Carnoustie) Holdings Limited (50.10%)
- Elgin Education (Forfar & Carnoustie) Limited (50.10%)
- Elgin Health (Clackmannanshire) Holdings Limited (50.10%)
- Elgin Health (Clackmannanshire) Limited (50.10%)
- Elgin Health (Gartnavel) Holdings Limited (35.07%)
- Elgin Health (Gartnavel) Limited (35.07%)
- Elgin Health (St George's) Holdings Limited (35.07%)
- Elgin Health (St George's) Limited (35.07%)
- Elgin Health (Easter Ross) Holdings Limited (25.05%)
- Elgin Health (Easter Ross) Limited (25.05%)
- Elgin Health (Midlothian) Holdings Limited (50.10%)
- Elgin Health (Midlothian) Limited (50.10%)
- Elgin Healthcare (Findlay House) Holdings Limited (50.10%)
- Elgin Healthcare (Findlay House) Limited (50.10%)
- Elgin Infrastructure Limited (Direct - 50.10%)
- Elgin BSF Limited (51.89%)
- Modern Schools (Redcar and Cleveland) Holdings Limited (50.10%)
- Modern Schools (Redcar and Cleveland) Limited (50.10%)
- NNT Lift Company (Fundco 1) Limited (60.00%)
- NNT Lift Company (Fundco 2) Limited (60.00%)
- Robertson Health (New Craigs) Holdings Limited (35.07%)
- Robertson Health (New Craigs) Limited (35.07%)
- Discovery Education (Holdings) Limited (25.05%)
- Discovery Education (Nominee) Limited (25.05%)
- Discovery Education PLC (25.05%)

Entities with their registered address at Cannon Place, 78 Cannon Street, London, United Kingdom, EC4N 6AF

- Hull Esteem Consortium PSP Limited (33.33%)
- Hull Esteem Consortium LEP Limited (26.66%)
- Hull Esteem Holdco1 Limited (29.66%)
- Hull Esteem Projectco1 Limited (29.66%)
- Hull Esteem Debtco Limited (33.33%)
- Hull Esteem Holdco2 Limited (32.66%)
- Hull Esteem Projectco2 Limited (32.66%)
- Hull Esteem Debtco2 Limited (33.33%)