

COMPANY REGISTRATION NUMBER: 08647103

Cobalt Project Investments Limited
Annual Report and Financial Statements
31 March 2020



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Cobalt Project Investments Limited

Annual Report and Financial Statements

Year Ended 31 March 2020

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Cobalt Project Investments Limited

Officers and Professional Advisers

The Board of Directors

J McDonagh
A Ray

Company Secretary

Jennifer McKay & Pinsent Masons Secretarial Limited

Registered Office

1 Park Row
Leeds
England
LS1 5AB

Independent Auditors

PricewaterhouseCoopers LLP
Chartered accountants & statutory auditor
Level 4
Atria One
144 Morrison Street
Edinburgh
EH3 8EX

Cobalt Project Investments Limited

Directors' Report

Year Ended 31 March 2020

The directors present their report and the audited Annual Report and Financial Statements of Cobalt Project Investments Limited ("the Company") for the year ended 31 March 2020.

Principal Activities

The principal activity of the Company is that of investing in secondary PFI projects.

Performance Review

The loss for the financial year, after taxation, amounted to £(2,624,359) (2019: £(3,383,416)).

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.

The directors have considered the impact of Coronavirus (COVID-19) taking into account any impact on underlying investments, sources of income and additional expenditure, if any. The company has no obligation to repay any creditors in the twelve month period from the date of signing of these financial statements. As such, any potential impact of Coronavirus on the performance of the underlying investment and its distributions will not directly impact the Company's ability to continue as a going concern.

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 regularly (at least 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.

Going concern

Cash flow forecasts are prepared for each of the underlying investments looking over the expected life of the underlying asset and so including the 12 month period 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 conditions, including the impact of Covid-19, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investments held (both directly and indirectly). 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. In addition, in the event that the underlying investments do not perform as expected, the company has no liabilities that it is contractually required to pay in the twelve month period from the date of signing of these financial statements.

There is a net liability of £16,913,522 (2019: £14,289,163) at the year end. However, the directors have reviewed the performance of the Company during the year as set out in these financial statements and, after taking account of possible changes that can be envisaged in trading performance, have considered the cash flows forecast and future liquidity requirements of the Company. Having regard to the above and after making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial report and financial statements.

Cobalt Project Investments Limited

Directors' Report *(continued)*

Year Ended 31 March 2020

Directors

The directors who served the company during the year and up to the date of this report were as follows:

J McDonagh
A Ray

Dividends

The directors do not recommend the payment of a dividend.

Qualifying Indemnity Provision

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.

Small Companies Provision

This report has been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

Disclosure of Information to Auditors

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as they are aware, there is no relevant audit information of which the Company's auditors are unaware; and
- they have taken all steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditors are aware of that information.

The auditors, PricewaterhouseCoopers LLP, are deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on26/02/2021..... and signed by order of the board by:



J McDonagh
Director

Cobalt Project Investments Limited

Directors' Responsibilities Statement

Year Ended 31 March 2020

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and the profit or loss of the company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

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

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

Cobalt Project Investments Limited

Independent Auditors' Report to the Members of Cobalt Project Investments Limited

Year Ended 31 March 2020

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 2020 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 2020; the Statement of Comprehensive Income and 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

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- 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.

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.

Cobalt Project Investments Limited

Independent Auditors' Report to the Members of Cobalt Project Investments Limited *(continued)*

Year Ended 31 March 2020

Reporting on Other Information

The other information comprises all of the information in the Annual Report other than the financial statements and our auditor's 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 or, except to the extent otherwise explicitly stated in this report, any form of assurance thereon.

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 2020 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 4, 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.

Cobalt Project Investments Limited

Independent Auditors' Report to the Members of Cobalt Project Investments Limited *(continued)*

Year Ended 31 March 2020

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

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. 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.

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.

Cobalt Project Investments Limited

Independent Auditors' Report to the Members of Cobalt Project Investments Limited *(continued)*

Year Ended 31 March 2020

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.



Mark Hoskyns-Abraham (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered accountants & statutory auditor
Edinburgh
26 February 2021

Cobalt Project Investments Limited

Statement of Comprehensive Income

Year Ended 31 March 2020

	Note	2020 £	2019 £
Administrative expenses		<u>(12,830)</u>	<u>(13,875)</u>
Operating loss		(12,830)	(13,875)
Income from shares in group undertakings	6	910,317	89,000
Interest receivable and similar income	7	3,514,288	3,577,609
Interest payable and similar expenses	8	<u>(7,036,134)</u>	<u>(7,036,150)</u>
Loss before taxation		(2,624,359)	(3,383,416)
Tax on loss	9	<u>—</u>	<u>—</u>
Loss for the financial year and total comprehensive income		<u>(2,624,359)</u>	<u>(3,383,416)</u>

All the activities of the company are from continuing operations.

The notes on pages 12 to 21 form part of these Financial Statements.

Cobalt Project Investments Limited

Statement of Financial Position

As at 31 March 2020

	Note	2020 £	2019 £
Fixed assets			
Investments	10	78,642,815	78,972,251
Current assets			
Debtors	11	1,508,773	1,253,039
Cash at bank and in hand		<u>334,909</u>	<u>590,521</u>
		1,843,682	1,843,560
Creditors: amounts falling due within one year	12	<u>(15,106,051)</u>	<u>(12,811,006)</u>
Net current liabilities		<u>(13,262,369)</u>	<u>(10,967,446)</u>
Total assets less current liabilities		65,380,446	68,004,805
Creditors: amounts falling due after more than one year	13	<u>(82,293,968)</u>	<u>(82,293,968)</u>
Net liabilities		<u>(16,913,522)</u>	<u>(14,289,163)</u>
Capital and reserves			
Called up share capital	14	100	100
Retained earnings	15	<u>(16,913,622)</u>	<u>(14,289,263)</u>
Total shareholders' funds		<u>(16,913,522)</u>	<u>(14,289,163)</u>

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 ...26/02/2021..., and are signed on behalf of the board by:



J McDonagh
Director

Company registration number: 08647103

The notes on pages 12 to 21 form part of these Financial Statements.

Cobalt Project Investments Limited

Statement of Changes in Equity

Year Ended 31 March 2020

	Called up share capital £	Retained earnings £	Total £
At 1 April 2018	100	(10,905,847)	(10,905,747)
Loss for the financial year		(3,383,416)	(3,383,416)
Total comprehensive expense for the year	—	(3,383,416)	(3,383,416)
At 31 March 2019	100	(14,289,263)	(14,289,163)
Loss for the financial year		(2,624,359)	(2,624,359)
Total comprehensive expense for the year	—	(2,624,359)	(2,624,359)
At 31 March 2020	100	(16,913,622)	(16,913,522)

The notes on pages 12 to 21 form part of these Financial Statements.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 March 2020

1. General Information

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

The principal activity of the Company is that of investing in secondary PFI projects.

The Company's functional and presentation currency is the pound sterling.

2. Statement of Compliance

The individual financial statements of Cobalt Project Investments Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland ("FRS 102") and the Companies Act 2006 as applicable to companies subject to the small companies regime.

3. Accounting Policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention, as modified by the revaluation of certain financial assets and liabilities.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(b) Going concern

Cash flow forecasts are prepared for each of the underlying investments looking over the expected life of the underlying asset and so including the 12 month period 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 conditions, including the impact of Covid-19, that will prevail over the forecast period.

The Company's cash flows are dependent on the performance of its investments held (both directly and indirectly). 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. In addition, in the event that the underlying investments do not perform as expected, the company has no liabilities that it is contractually required to pay in the twelve month period from the date of signing of these financial statements.

There is a net liability of £16,913,522 (2019: £14,289,163) at the year end. However, the directors have reviewed the performance of the Company during the year as set out in these financial statements and, after taking account of possible changes that can be envisaged in trading performance, have considered the cash flows forecast and future liquidity requirements of the Company. Having regard to the above and after making enquiries the directors have a reasonable expectation that the Company has adequate resources to continue in operation for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual financial report and financial statements.

(c) Disclosure exemptions

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(d) Judgments and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgments, estimates and assumptions that affect the amounts reported. These estimates and judgments are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Key sources of estimation uncertainty

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and/or value in use of the potentially impaired asset or assets and compare that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

(e) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case tax is also recognised in other comprehensive income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(f) Cash and cash equivalents

Cash and cash equivalents includes cash in hand, deposits held at call with banks, other short-term highly liquid investments with original maturities of six months or less and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

(g) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that are largely independent of the cash inflows from other assets or groups of assets.

(i) 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.

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price and subsequently at amortised cost, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments are subsequently measured at fair value, with any changes recognised in the Statement of Comprehensive Income, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in the Statement of Comprehensive Income immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

3. Accounting Policies *(continued)*

Financial instruments *(continued)*

Any reversals of impairment are recognised in the Statement of Comprehensive Income immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised. 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 entity after deducting all of its financial liabilities.

Where the contractual obligations of financial instruments (including share capital) are equivalent to a similar debt instrument, those financial instruments are classed as financial liabilities. Financial liabilities are presented as such in the Statement of Financial Position. Finance costs and gains or losses relating to financial liabilities are included in the Statement of Comprehensive Income. Finance costs are calculated so as to produce a constant rate of return on the outstanding liability.

Where the contractual terms of share capital do not have any terms meeting the definition of a financial liability then this is classed as an equity instrument. Dividends and distributions relating to equity instruments are debited direct to equity.

4. Auditors' Remuneration

Audit fees of £2,625 (2019: £2,500) for the year ended 31 March 2020 were paid by the Company.

5. Particulars of Employees and Directors

The average number of persons employed by the Company during the financial year amounted to nil (2019: nil). The directors are not employed by the Company and did not receive any remuneration from the Company during the year (2019: £nil).

6. Income from Shares in Group Undertakings

	2020	2019
	£	£
Dividends from group undertakings	<u>910,317</u>	<u>89,000</u>

7. Interest Receivable and Similar Income

	2020	2019
	£	£
Interest from Group undertakings	<u>3,514,288</u>	<u>3,577,609</u>

8. Interest Payable and Similar Expenses

	2020	2019
	£	£
Interest due to Group undertakings	<u>7,036,134</u>	<u>7,036,150</u>

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

9. Tax on Loss

Reconciliation of tax income

The tax assessed on the loss for the year is higher than (2019: higher than) the standard rate of corporation tax in the UK of 19% (2019: 19%).

	2020 £	2019 £
Loss before taxation	(2,624,359)	(3,383,416)
Loss by rate of tax	(498,628)	(642,849)
Effect of expenses not deductible for tax purposes	2,392	2,207
Effect of revenue exempt from tax	(172,960)	(16,910)
Unused tax losses	669,196	657,552
Total tax credit	—	—

The Company has tax losses of £16,848,458 (2019: £13,326,370) available for carry forward against future profits. They have not been recognised on the basis that future profits are not sufficiently foreseeable.

10. Investments

	Shares in group undertakings £	Loans to group undertakings £	Total £
Cost			
At 1 April 2019	49,922,256	29,049,995	78,972,251
Repayments	—	(329,436)	(329,436)
At 31 March 2020	49,922,256	28,720,559	78,642,815
Impairment			
At 1 April 2019 and 31 March 2020	—	—	—
Carrying amount			
At 31 March 2020	49,922,256	28,720,559	78,642,815
At 31 March 2019	49,922,256	29,049,995	78,972,251

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

10. Investments *(continued)*

Subsidiaries, associates and other investments

Loans to Group undertakings are unsecured and would rank above ordinary shareholders but below all other creditors of the entity. The loans have fixed repayment profiles and receive interest between the range of 12% and 15%.

Investments in Group undertakings are recorded at their fair value.

The company owns the following % of the companies listed below:-

	Registered office key	Investment Holding	Class of share
	£	%	
Cobalt CPI Limited*	1	100	Ordinary
Cobalt Project Investments (Hull BSF) Limited**	1	100	Ordinary
Cobalt Project Investments (Taycare) Limited*	2	100	Ordinary
Elgin BSF Limited**	3	100	Ordinary
Elgin LIFT Company Limited**	3	100	Ordinary
NNT LIFT Company Limited**	4	60	Ordinary
Taycare Health (Holdings) Limited**	1	100	Ordinary
Taycare Health Limited**	1	100	Ordinary
Elgin Infrastructure Limited*	3	50	Ordinary
Elgin Education (Aberdeenshire 2) Holdings Limited**	3	38	Ordinary
Elgin Education (Aberdeenshire 2) Limited**	1	35	Ordinary
Elgin Education (Forfar & Carnoustie) Holdings Limited**	3	50	Ordinary
Elgin Education (Forfar & Carnoustie) Limited**	3	50	Ordinary
Elgin Health (Clackmannashire) Holdings Limited**	3	50	Ordinary
Elgin Health (Clackmannashire) Limited**	3	50	Ordinary
Elgin Health (Gartnavel) Holdings Limited**	3	35	Ordinary
Elgin Health (Gartnavel) Limited**	3	35	Ordinary
Elgin Health (St George's) Holdings Limited**	4	35	Ordinary
Elgin Health (St George's) Limited**	4	35	Ordinary
Elgin Health (Easter Ross) Holdings Limited**	3	25	Ordinary
Elgin Health (Easter Ross) Limited**	3	25	Ordinary
Elgin Health Holdings (Midlothian) Limited**	3	50	Ordinary
Elgin Health Holdings (Midlothian) Limited**	3	50	Ordinary
Elgin Healthcare (Findlay House) Holdings Limited**	3	50	Ordinary
Elgin Healthcare (Findlay House) Limited**	3	50	Ordinary
Modern Schools (Redcar and Cleveland) Holdings Limited**	1	50	Ordinary
Modern Schools (Redcar and Cleveland) Limited**	2	50	Ordinary
NNT Lift Company (Fundco 1) Limited**	4	60	Ordinary
NNT Lift Company (Fundco 2) Limited**	4	60	Ordinary
Robertson Health (New Craigs) Holdings Limited**	3	35	Ordinary
Robertson Health (New Craigs) Limited**	3	35	Ordinary
Discovery Education (Holdings)Limited**	3	25	Ordinary
Discovery Education (Nominee)Limited**	3	25	Ordinary

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

10. Investments *(continued)*

Discovery Education Plc**	3	25	Ordinary
Hull Esteem Consortium PSP Limited**	4	33	Ordinary
Hull Esteem Consortium LEP Limited**	4	27	Ordinary
Hull Esteem Consortium Holdco1 Limited**	4	30	Ordinary
Hull Esteem Consortium Projectco1 Limited**	4	30	Ordinary
Hull Esteem Consortium Debtco Limited**	4	33	Ordinary
Hull Esteem Consortium Holdco2 Limited**	4	33	Ordinary
Hull Esteem Consortium Projectco2 Limited**	4	33	Ordinary
Hull Esteem Consortium Debtco2 Limited**	4	33	Ordinary

* denotes direct ownership

** denotes indirect ownership

Registered Office Addresses

1 13 Queens Road, Aberdeen, AB15 4YL

2 1 Park Row, Leeds, LS1 5AB

3 2nd Floor, 11 Thistle Street, Edinburgh, EH2 1DF

4 Cannon Place, 78 Cannon Street, London, EC4N 6AF

The above list is a complete list of the Company's related undertakings.

The Company has advanced loans to its subsidiaries in order for them to make investments. As at 31 March 2020, the Company had the following outstanding loans:

£4,667,160 (2019: £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%.

£10,511,143 (2019: £10,672,411) from Cobalt CPI Limited. Interest is receivable at a rate of 11.25% and the loan is due to be repaid in 2043.

£13,542,255 (2019: £13,710,423) from Elgin Infrastructure Limited Interest is receivable at a rate of 13.50% and the loan is due to be repaid in 2040.

11. Debtors

	2020	2019
	£	£
Amounts owed by Group undertakings	1,308,084	1,052,350
Other debtors	200,689	200,689
	<u>1,508,773</u>	<u>1,253,039</u>

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

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

12. Creditors: amounts falling due within one year

	2020	2019
	£	£
Amounts owed to Group undertakings	15,101,851	12,806,806
Accruals and deferred income	4,200	4,200
	<u>15,106,051</u>	<u>12,811,006</u>

Amounts owed to Group undertakings include accrued interest on the loans of £15,083,958 (2019: £12,529,871). It is at the Company's discretion to defer the payment of interest.

13. Creditors: amounts falling due after more than one year

	2020	2019
	£	£
Amounts owed to Group undertakings	<u>82,293,968</u>	<u>82,293,968</u>

The amounts owed to Group 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.

14. Called Up Share Capital

Issued, called up and fully paid

	2020		2019	
	No.	£	No.	£
Ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

There is a single class of ordinary share. There are no restrictions on the distribution of dividends and the repayment of capital.

15. Reserves

Retained earnings records retained earnings and accumulated losses.

Cobalt Project Investments Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2020

16. Related Party Transactions

The following disclosures are with entities in the Group that are not wholly owned. 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.

The Company received dividends of £910,317 (2019: £nil) and interest of £1,852,771 (2019: £1,876,450) from Elgin Infrastructure Limited, a subsidiary during the year. At the year end, there was interest receivable of £460,068 (2019: £459,589) from Elgin Infrastructure Limited. The loan balance at the year end was £13,542,255 (2019: £13,710,423).

The Company has loans payable totalling £52,811,968 (2019: £52,811,968) to its immediate parent company, Dalmore Capital (Para 1) Limited. In the year to 31 March 2020, interest of £2,738,480 (2019: £3,068,851) was paid on these loans. The total interest payable on the loans as at 31 March 2020 was £10,835,682 (2019: £9,058,738).

The Company has loans payable totalling £29,482,000 (2019: £29,482,000) to a shareholder, Cobalt Project Investments (Issuer) Limited. In the year to 31 March 2020, interest of £1,743,568 (2019: £1,839,204) was paid on these loans. The total interest payable on the loans as at 31 March 2020 was £4,248,276 (2019: £3,471,117).

17. Controlling Party

The immediate parent undertaking is Dalmore Capital (Para 1) Limited.

The ultimate controlling party is Dalmore Capital Fund LP. Dalmore Capital Fund LP is owned by a number of investors with no one investor having individual control.