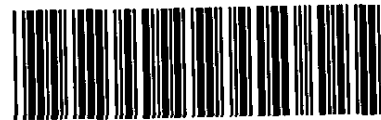

COBALT ENERGY LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MAY 2022

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COBALT ENERGY LIMITED
REGISTERED NUMBER: 06901676

BALANCE SHEET
AS AT 31 MAY 2022

	Note	2022 £	2021 £
Fixed assets			
Tangible assets	4	48,899	42,113
Investments	5	-	3,000
		<u>48,899</u>	<u>45,113</u>
Current assets			
Debtors: amounts falling due within one year	6	3,037,491	3,669,373
Cash at bank and in hand	7	980,774	1,436,246
		<u>4,018,265</u>	<u>5,105,619</u>
Creditors: amounts falling due within one year	8	(2,756,144)	(2,967,675)
Net current assets		<u>1,262,121</u>	<u>2,137,944</u>
Total assets less current liabilities		<u>1,311,020</u>	<u>2,183,057</u>
Creditors: amounts falling due after more than one year	9	(288,113)	(310,623)
Provisions for liabilities			
Deferred tax		(9,353)	(8,063)
Net assets		<u><u>1,013,554</u></u>	<u><u>1,864,371</u></u>
Capital and reserves			
Called up share capital	12	1,000	1,000
Other reserves	13	34,207	42,044
Profit and loss account	13	978,347	1,821,327
		<u><u>1,013,554</u></u>	<u><u>1,864,371</u></u>

COBALT ENERGY LIMITED
REGISTERED NUMBER: 06901676

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2022

The directors consider that the Company is entitled to exemption from audit under section 479A of the Companies Act 2006.

The members have not required the Company to obtain an audit for the year in question in accordance with section 476 of the Companies Act 2006.

The directors acknowledge their responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

The Company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 25 May 2023.



Ian Crummack
Director

The notes on pages 4 to 14 form part of these financial statements.

COBALT ENERGY LIMITED

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 MAY 2022**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
At 1 June 2020	1,000	6,889	1,220,618	1,228,507
Comprehensive income for the year				
Profit for the year	-	-	901,864	901,864
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(266,000)	(266,000)
Transfers	-	35,155	(35,155)	-
Total transactions with owners	-	35,155	(301,155)	(266,000)
At 1 June 2021	1,000	42,044	1,821,327	1,864,371
Comprehensive income for the year				
Loss for the year	-	-	(585,606)	(585,606)
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(265,211)	(265,211)
Transfers	-	(7,837)	7,837	-
Total transactions with owners	-	(7,837)	(257,374)	(265,211)
At 31 May 2022	1,000	34,207	978,347	1,013,554

The notes on pages 4 to 14 form part of these financial statements.

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2022

1. General information

Cobalt Energy Limited is a private company limited by shares and is incorporated in England. The registered office is 50-54 Oswald Road, Scunthorpe, Lincolnshire, DN15 7PQ. The principal place of business is West Road House, 26a West Road, Suites 5 & 6, Buxton, Derbyshire, SK17 6HF.

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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

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

The financial statements have been prepared in sterling, which is the functional currency of the company. Monetary amounts in these financial statements are rounded to the nearest £.

The following principal accounting policies have been applied:

2.2 Foreign currency translation

Functional and presentation currency

The Company's functional and presentational currency is GBP.

Transactions and balances

Foreign currency transactions are translated into the functional currency using the spot exchange rates at the dates of the transactions.

At each period end foreign currency monetary items are translated using the closing rate. Non-monetary items measured at historical cost are translated using the exchange rate at the date of the transaction and non-monetary items measured at fair value are measured using the exchange rate when fair value was determined.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the Company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

2.4 Operating leases: the Company as lessee

Rentals paid under operating leases are charged to profit or loss on a straight-line basis over the lease term.

2.5 Interest income

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

2.6 Finance costs

Finance costs are charged to profit or loss over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.7 Borrowing costs

All borrowing costs are recognised in profit or loss in the year in which they are incurred.

2.8 Pensions

Defined contribution pension plan

The Company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the Company pays fixed contributions into a separate entity. Once the contributions have been paid the Company has no further payment obligations.

The contributions are recognised as an expense in profit or loss when they fall due. Amounts not paid are shown in accruals as a liability in the Balance sheet. The assets of the plan are held separately from the Company in independently administered funds.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)

2.9 Current and deferred taxation

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

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

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

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

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.

2.10 Tangible fixed assets

Tangible fixed assets under the cost model 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 straight-line method.

Depreciation is provided on the following basis:

Office equipment	-	25% Straight line
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The assets' residual values, useful lives and depreciation methods are reviewed, and adjusted prospectively if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in profit or loss.

2.11 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)

2.12 Debtors

Short-term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.13 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.14 Creditors

Short-term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2.15 Financial instruments

The Company only enters into basic financial instrument transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade debtors and creditors, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However, if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or in case of an out-right short-term loan that is not at market rate, the financial asset or liability is measured, initially at the present value of future cash flows discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost, unless it qualifies as a loan from a director in the case of a small company, or a public benefit entity concessionary loan.

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

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of the recoverable amount, which is an approximation of the amount that the Company would receive for the asset if it were to be sold at the balance sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance sheet when

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

2. Accounting policies (continued)

2.15 Financial instruments (continued)

there is an 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.

2.16 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

2.17 EMI share options

EMI share options are valued using the fair value through the profit and loss method. The fair value of the share options is initially assessed upon granting these share options and accounted for within equity. The fair value is then reassessed annually, any gains and losses will be shown within the profit and loss accounts until the share options are exercised.

3. Employees

The average monthly number of employees, including directors, during the year was 41 (2021 - 27).

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 June 2021	123,826
Additions	27,058
At 31 May 2022	<u>150,884</u>
Depreciation	
At 1 June 2021	81,713
Charge for the year on owned assets	20,272
At 31 May 2022	<u>101,985</u>
Net book value	
At 31 May 2022	<u>48,899</u>
At 31 May 2021	<u>42,113</u>

5. Fixed asset investments

	Investments in subsidiary companies £
At 1 June 2021	3,000
Disposals	(3,000)
At 31 May 2022	<u>-</u>

During the year, there was an intra-group transfer of the subsidiaries from Cobalt Energy Limited to Cobalt Energy Holdings Limited.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

6. Debtors

	2022	2021
	£	£
Trade debtors	1,404,739	914,903
Amounts owed by group undertakings	888,427	715,151
Other debtors	382,625	470,783
Prepayments and accrued income	361,700	1,568,536
	<u>3,037,491</u>	<u>3,669,373</u>

7. Cash and cash equivalents

	2022	2021
	£	£
Cash at bank and in hand	980,774	1,436,246
	<u>980,774</u>	<u>1,436,246</u>

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

8. Creditors: Amounts falling due within one year

	2022	2021
	£	£
Bank loans	27,968	44,634
Other loans	71,428	71,428
Trade creditors	1,374,260	541,014
Corporation tax	119,528	158,434
Other taxation and social security	339,562	567,690
Other creditors	40,196	140,947
Accruals and deferred income	783,202	1,443,528
	<u>2,756,144</u>	<u>2,967,675</u>

The following liabilities were secured:

	2022	2021
	£	£
Bank loans	21,968	44,634
Other loans	71,428	71,428
	<u>93,396</u>	<u>116,062</u>

Details of security provided:

Bank borrowings are secured by a personal guarantee by one of the directors. Other borrowings are secured on the assets of the company.

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

9. Creditors: Amounts falling due after more than one year

	2022 £	2021 £
Other loans	<u>288,113</u>	<u>310,623</u>

The following liabilities were secured:

	2022 £	2021 £
Other loans	<u>288,113</u>	<u>310,623</u>
	<u>288,113</u>	<u>310,623</u>

Details of security provided:

Bank borrowings are secured by a personal guarantee by one of the directors. Other borrowings are secured on the assets of the company.

10. Loans

Analysis of the maturity of loans is given below:

	2022 £	2021 £
Amounts falling due within one year		
Bank loans	27,968	44,634
Other loans	71,428	71,428
Amounts falling due 1-2 years		
Other loans	288,113	310,623
	<u>387,509</u>	<u>426,685</u>

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022

11. Deferred taxation

	2022 £
At beginning of year	(8,063)
Charged to profit or loss	(1,290)
At end of year	(9,353)

The provision for deferred taxation is made up as follows:

	2022 £	2021 £
Accelerated capital allowances	(9,353)	(8,063)
	<u>(9,353)</u>	<u>(8,063)</u>

12. Share capital

	2022 £	2021 £
Allotted, called up and fully paid		
5,000 (2021 - 5,000) Ordinary shares of £0.20 each	<u>1,000</u>	<u>1,000</u>

13. Reserves

Other reserves

Other reserves represent the EMI share options granted and the company's investment account. Share options were valued at £13,227 upon creation of the EMI scheme and this valuation is still believed to be valid at the 2022 year end. The fair value of granting these share options has been expensed through the profit and loss account in the prior year. As the employees have not yet exercised these share options, the fair value adjustment is disallowable for corporation tax purposes.

During the 2018 accounting period £250,000 was put into an investment account. The fair value of this investment account was considered to have decreased since 2021 by £7,837. Since this investment account has not yet been realised, the fair value is disallowable for corporation tax purposes.

Other reserves therefore represent the net fair value adjustments in relation to EMI share options and the investment account.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2022**

14. Pension commitments

The Company operates a defined contributions pension scheme. The assets of the scheme are held separately from those of the Company in an independently administered fund. The pension cost charge represents contributions payable by the Company to the fund and amounted to £98,121 (2021 - £89,111). Contributions totalling £13,920 (2021 - £18,858) were payable to the fund at the balance sheet date and are included in creditors.

15. Controlling party

The parent undertaking is Cobalt Energy Holdings Limited. Cobalt Energy Holdings Limited is controlled by the director, Ian Crummack and Cobalt Energy Holdings Limited is the parent undertaking of the smallest and largest group to consolidate these financial statements.

The consolidated financial statements of Cobalt Energy Holdings are available to the public and may be obtained from the company secretary, Cobalt Energy Holdings Limited, 50-54 Oswald Road, Scunthorpe, Lincolnshire, DN15 7PQ.

During the year, the shares were transferred from Ian Crummack to Cobalt Energy Holdings Limited.