
COBALT ENERGY LIMITED

UNAUDITED
FINANCIAL STATEMENTS
INFORMATION FOR FILING WITH THE REGISTRAR
FOR THE YEAR ENDED 31 MAY 2023

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COBALT ENERGY LIMITED
REGISTERED NUMBER: 06901676

BALANCE SHEET
AS AT 31 MAY 2023

	Note	2023 £	2022 £
Fixed assets			
Tangible assets	4	38,165	48,899
Current assets			
Debtors: amounts falling due within one year	5	2,482,836	3,037,491
Cash at bank and in hand	6	947,037	980,774
		<u>3,429,873</u>	<u>4,018,265</u>
Creditors: amounts falling due within one year	7	(1,643,432)	(2,756,144)
Net current assets		<u>1,786,441</u>	<u>1,262,121</u>
Total assets less current liabilities		<u>1,824,606</u>	<u>1,311,020</u>
Creditors: amounts falling due after more than one year	8	(434,170)	(288,113)
Provisions for liabilities			
Deferred tax	10	(7,313)	(9,353)
Net assets		<u><u>1,383,123</u></u>	<u><u>1,013,554</u></u>
Capital and reserves			
Called up share capital	11	1,000	1,000
Other reserves	12	31,724	34,207
Profit and loss account	12	1,350,399	978,347
		<u><u>1,383,123</u></u>	<u><u>1,013,554</u></u>

COBALT ENERGY LIMITED
REGISTERED NUMBER: 06901676

BALANCE SHEET (CONTINUED)
AS AT 31 MAY 2023

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



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 2023**

	Called up share capital £	Other reserves £	Profit and loss account £	Total equity £
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 1 June 2022	1,000	34,207	978,347	1,013,554
Comprehensive income for the year				
Profit for the year	-	-	687,569	687,569
Contributions by and distributions to owners				
Dividends: Equity capital	-	-	(318,000)	(318,000)
Transfers	-	(2,483)	2,483	-
Total transactions with owners	-	(2,483)	(315,517)	(318,000)
At 31 May 2023	1,000	31,724	1,350,399	1,383,123

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 2023

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 2023

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 2023

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 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.

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MAY 2023

2. Accounting policies (continued)

2.12 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.

2.13 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.

2.14 Financial instruments

The Company has elected to apply the provisions of Section 11 "Basic Financial Instruments" of FRS 102 to all of its financial instruments.

Financial instruments are recognised in the Company's Balance sheet 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 trade and other receivables, cash and bank balances, are initially measured at their transaction price including transaction costs and are subsequently carried at their amortised cost using the effective interest method, less any provision for impairment, 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.

Discounting is omitted where the effect of discounting is immaterial. The Company's cash and cash equivalents, trade and most other receivables due with the operating cycle fall into this category of financial instruments.

Impairment of financial assets

Financial assets are assessed for indicators of impairment at each reporting date.

Financial assets are impaired when events, subsequent to their initial recognition, indicate the estimated future cash flows derived from the financial asset(s) have been adversely impacted. The impairment loss will be the difference between the current carrying amount and the present value of the future cash flows at the asset(s) original effective interest rate.

If there is a favourable change in relation to the events surrounding the impairment loss then the impairment can be reviewed for possible reversal. The reversal will not cause the current carrying amount to exceed the original carrying amount had the impairment not been recognised. The impairment reversal is recognised in the profit or loss.

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

2. Accounting policies (continued)

2.14 Financial instruments (continued)

Financial liabilities

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

Basic financial liabilities, which include trade and other payables, bank loans and other loans are initially measured at their transaction price after transaction costs. When this constitutes a financing transaction, whereby the debt instrument is measured at the present value of the future receipts discounted at a market rate of interest. Discounting is omitted where the effect of discounting is immaterial.

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

Trade payables are obligations to pay for goods and services that have been acquired in the ordinary course of business from suppliers. Trade payables are classified as current liabilities if the payment is due within one year. If not, they represent non-current liabilities. Trade payables are initially recognised at their transaction price and subsequently are measured at amortised cost using the effective interest method. Discounting is omitted where the effect of discounting is immaterial.

Derecognition of financial instruments

Derecognition of financial assets

Financial assets are derecognised when their contractual right to future cash flow expire, or are settled, or when the Company transfers the asset and substantially all the risks and rewards of ownership to another party. If significant risks and rewards of ownership are retained after the transfer to another party, then the Company will continue to recognise the value of the portion of the risks and rewards retained.

Derecognition of financial liabilities

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

2.15 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.

2.16 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.

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

3. Employees

The average monthly number of employees, including directors, during the year was 45 (2022 - 41).

4. Tangible fixed assets

	Office equipment £
Cost or valuation	
At 1 June 2022	150,884
Additions	11,898
At 31 May 2023	<u>162,782</u>
Depreciation	
At 1 June 2022	101,985
Charge for the year on owned assets	22,632
At 31 May 2023	<u>124,617</u>
Net book value	
At 31 May 2023	<u>38,165</u>
At 31 May 2022	<u>48,899</u>

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

5. Debtors

	2023 £	2022 £
Trade debtors	1,239,210	1,404,739
Amounts owed by group undertakings	816,278	888,427
Other debtors	383,575	382,625
Prepayments and accrued income	43,773	361,700
	<u>2,482,836</u>	<u>3,037,491</u>

6. Cash and cash equivalents

	2023 £	2022 £
Cash at bank and in hand	<u>947,037</u>	<u>980,774</u>

COBALT ENERGY LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023

7. Creditors: Amounts falling due within one year

	2023 £	2022 £
Bank loans	12,586	27,968
Other loans	143,335	71,428
Trade creditors	390,096	1,374,260
Corporation tax	151,236	119,528
Other taxation and social security	488,532	339,562
Other creditors	75,682	40,196
Accruals and deferred income	381,965	783,202
	<u>1,643,432</u>	<u>2,756,144</u>

The following liabilities were secured:

	2023 £	2022 £
Bank loans	12,586	27,968
Other loans	143,335	71,428
	<u>155,921</u>	<u>99,396</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 2023

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

	2023 £	2022 £
Other loans	<u>434,170</u>	<u>288,113</u>

The following liabilities were secured:

	2023 £	2022 £
Other loans	<u>434,170</u>	<u>288,113</u>
	<u>434,170</u>	<u>288,113</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.

9. Loans

Analysis of the maturity of loans is given below:

	2023 £	2022 £
Amounts falling due within one year		
Bank loans	12,586	27,968
Other loans	143,335	71,428
Amounts falling due 1-2 years		
Other loans	434,170	288,113
	<u>590,091</u>	<u>387,509</u>

COBALT ENERGY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 MAY 2023**

10. Deferred taxation

	2023 £
At beginning of year	(9,353)
Charged to profit or loss	2,040
At end of year	(7,313)

The provision for deferred taxation is made up as follows:

	2023 £	2022 £
Accelerated capital allowances	(7,313)	(9,353)
	(7,313)	(9,353)

11. Share capital

	2023 £	2022 £
Allotted, called up and fully paid		
5,000 (2022 - 5,000) Ordinary shares of £0.20 each	1,000	1,000

12. 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 2023 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 2022 by £2,483. 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 2023**

13. 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 £169,688 (2022 - £98,121). Contributions totalling £49,406 (2022 - £13,920) were payable to the fund at the balance sheet date and are included in creditors.

14. 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 Limited 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.