



D A L M O R E C A P I T A L

Dalmore Capital (Issuer 1) Limited

Annual Report and accounts for the year to 31 March 2015

Company Registration No. 08111574

Dalmore Capital (Issuer 1) Limited

COMPANY INFORMATION

DIRECTORS

M J Ryan
J McDonagh
A G Ray

SECRETARY

Maclay Murray & Spens LLP
A Peacock

COMPANY NUMBER

08111574

REGISTERED OFFICE

One London Wall
London
EC2Y 5AB

AUDITOR

PricewaterhouseCoopers LLP
Atria One, 144 Morrison Street
Edinburgh
EH3 8EX

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DIRECTORS' REPORT

For the year ended 31 March 2015

The Directors present their report and financial statements for the year ended 31 March 2015.

This Directors report has been prepared in accordance with the provisions applicable to companies entitled to the small companies exemption. The company has therefore taken advantage of the exemption from preparing a strategic report.

PRINCIPAL ACTIVITIES

The principal activity of the company is that of issuing debt to enable its subsidiary Dalmore Capital (Para 1) Limited to invest in secondary PFI projects. This debt is in the form of of unsecured loan notes listed on the Channel Islands Stock Exchange.

The loss for the period is set out on page 8.

GOING CONCERN

As part of its going concern review the Board has followed the guidelines published by the Financial Reporting Council entitled "Going Concern and Liquidity Risk: Guidance for UK Companies 2009". The Board has prepared detailed financial forecasts and cash flows looking over 12 months ahead from the date the accounts are signed. In drawing up these forecasts the Board has made assumptions based upon its view of the current and future economic conditions that will prevail over the forecast period.

The Company 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 dependant on the performance of investments held by its subsidiary Dalmore Capital (Para 1) Limited. 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 the following has been taken into consideration:

- all committed investments of the Company and its subsidiary holding companies are covered by commitments from the partners of the Dalmore Capital Fund LP ("the Fund")
- the Company and its Group has limited other outgoings and funds can be drawn from the Fund's partners if required to meet these obligations.

In light of this, the Directors continue to adopt the going concern basis of accounting in preparing the period end financial statements.

Dalmore Capital 2 GP Limited has provided a Letter of Support to the company in its capacity as General Partner of the Dalmore Capital Fund Limited Partnership.

DIRECTORS

The Directors who held office during the year and to the date of this report are as follows:

M J Ryan
J McDonagh
A G Ray

STATEMENT OF DISCLOSURE TO THE AUDITOR

The Directors who are in office on the date of approval of these financial statements have confirmed that, as far as they are aware, there is no relevant audit information of which the auditor is unaware. Each of the directors have confirmed that they have taken all the steps that they ought to have taken as directors in order to make themselves aware of any relevant audit information and to establish that it has been communicated to the auditor.

This confirmation is given and should be interpreted in accordance with the provision of section 418 of the Companies Act 2006.

DIRECTORS' REPORT

For the year ended 31 March 2015

AUDITOR

PricewaterhouseCoopers LLP were appointed in the period. They have indicated their willingness to be reappointed for another term and appropriate measures have been put in place for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

By order of the board



A Ray

DIRECTOR

23

December 2015

DIRECTORS' RESPONSIBILITIES STATEMENT
For the period ended 31 March 2015

The Directors are responsible for preparing the Directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the Directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards 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 those financial statements, the Directors are required to:

- a. select suitable accounting policies and then apply them consistently;
- b. make judgements and accounting estimates that are reasonable and prudent;
- c. State whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- d. 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 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.



A Ray
Director

23/12/15

Independent auditors' report to the members of Dalmore Capital (Issuer 1) Limited

Report on the financial statements

Our opinion

In our opinion, Dalmore Capital (Issuer 1) Limited's financial statements (the "financial statements"):

- give a true and fair view of the state of the company's affairs as at 31 March 2015 and of its loss for the year then ended;
 - have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities; and
 - have been prepared in accordance with the requirements of the Companies Act 2006.
-

What we have audited

The financial statements, included within the Annual Report, comprise:

- the Balance Sheet as at 31 March 2015;
- the Profit and Loss account for the year then ended;
- the accounting policies; and
- the notes to the financial statements, which include other explanatory information.

The financial reporting framework that has been applied in the preparation of the financial statements is applicable law and the Financial Reporting Standard for Smaller Entities (Effective April 2008) (United Kingdom Generally Accepted Accounting Practice applicable to Smaller Entities).

In applying the financial reporting framework, the directors have made a number of subjective judgements, for example in respect of significant accounting estimates. In making such estimates, they have made assumptions and considered future events.

Opinion on other matter prescribed by the Companies Act 2006

In our opinion, the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

Other matters on which we are required to report by exception

Adequacy of accounting records and information and explanations received

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, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns.

We have no exceptions to report arising from this responsibility.

Directors' remuneration

Under the Companies Act 2006 we are required to report to you if, in our opinion, certain disclosures of directors' remuneration specified by law are not made. 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: 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.

Responsibilities for the financial statements and the audit

Our responsibilities and those of the directors

As explained more fully in the Directors' Responsibilities Statement set out on page 5, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view.

Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland) ("ISAs (UK & Ireland)"). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

This report, including the opinions, has been prepared for and only for the parent 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.

What an audit of financial statements involves

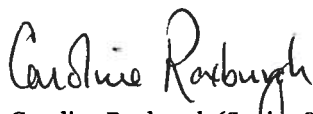
We conducted our audit in accordance with ISAs (UK & Ireland). An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of:

- whether the accounting policies are appropriate to the company's circumstances and have been consistently applied and adequately disclosed;
- the reasonableness of significant accounting estimates made by the directors; and
- the overall presentation of the financial statements.

We primarily focus our work in these areas by assessing the directors' judgements against available evidence, forming our own judgements, and evaluating the disclosures in the financial statements.

We test and examine information, using sampling and other auditing techniques, to the extent we consider necessary to provide a reasonable basis for us to draw conclusions. We obtain audit evidence through testing the effectiveness of controls, substantive procedures or a combination of both.

In addition, we read all the financial and non-financial information in the Annual Report to identify material inconsistencies with the audited financial statements and to identify any information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.



Caroline Roxburgh (Senior Statutory Auditor)
for and on behalf of PricewaterhouseCoopers LLP
Chartered Accountants and Statutory Auditors
Edinburgh

23 December 2015

Profit and Loss Account

		2015	2014
	Note	£	£
Administrative costs	3	(3,728)	(3,090)
OPERATING LOSS		(3,728)	(3,090)
Interest receivable	1	16,812,830	12,045,282
Interest payable	2	(16,812,830)	(12,045,282)
Loss on ordinary activities before taxation		(3,728)	(3,090)
Tax on loss on ordinary activities	5	-	-
NET LOSS FOR THE PERIOD		<u>(3,728)</u>	<u>(3,090)</u>

All amounts relate to continuing operations.

No separate statement of total recognised gains and losses has been presented as all such gains and losses are dealt with in the profit and loss account.

Dalmore Capital (Issuer 1) Limited

No. 08111574

Balance Sheet

	Note	2015 £	2014 £
FIXED ASSETS			
Investments	6	213,057,407	191,971,472
CURRENT ASSETS			
Debtors	7	2,854,421	2,680,776
Cash at bank		<u>9</u>	<u>37</u>
		2,854,430	2,680,813
CREDITORS: Amounts falling due within year	8	<u>(2,871,459)</u>	<u>(2,694,114)</u>
NET CURRENT LIABILITIES		(2,871,459)	(2,694,114)
		<u>(17,029)</u>	<u>(13,301)</u>
CREDITORS: Amounts falling due after more than one year	9	(213,057,407)	(191,971,472)
NET LIABILITIES		<u>(17,029)</u>	<u>(13,301)</u>
REPRESENTED BY:			
Share Capital	10	2	2
Profit and loss account	11	(17,031)	(13,303)
Total Shareholders' Deficit		<u>(17,029)</u>	<u>(13,301)</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

The financial statements on pages 8 to 14 were approved by the board of directors and authorised for issue on 23/12/15 and are signed on its behalf by:



A Ray
DIRECTOR

Statement of Accounting policies

BASIS OF ACCOUNTING

The financial statements are prepared under the historical cost convention and the Financial Reporting Standard for Smaller Entities (effective April 2008). A summary of the principal accounting policies, all of which have been applied consistently in the current period are set out below:

GOING CONCERN BASIS OF ACCOUNTING

The accounts have been prepared on the assumption that the company is able to carry on business as a going concern, which the Directors consider appropriate as outlined in their report on page 3.

INVESTMENTS

Fixed asset investments are stated at cost in the company balance sheet.
Provision is made for any impairment in the value of fixed asset investments.

CASH FLOW

The company has taken advantage of the exemption provided under the Financial Reporting Standard 1 (Revised 1996) not to provide a cash flow statement in the financial statements on the grounds that the company is small.

INTEREST RECEIVABLE

Income from loans and other receivables is recognised as it accrues by reference to the principal outstanding and the interest rate applicable.

INTEREST PAYABLE

Interest payable on loans is recognised as it accrues by reference to the principal outstanding and the interest rate applicable.

TAXATION

Current tax is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future have occurred at the balance sheet date. Timing differences are differences between the company's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured at the average tax rates that are expected to apply in the periods in which timing differences are expected to reverse, based on tax rates and laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax is measured on a non-discounted basis.

Notes to the financial statements

1 Interest receivable

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Interest income	16,812,830	12,045,282
	16,812,830	12,045,282

All income is derived from the Loans made to its subsidiary Company Dalmore Capital (Para 1) Limited.

2 Interest payable

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Interest payable on loans from parent entity	16,812,830	12,045,282
	16,812,830	12,045,282

3 Administrative expenses

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Administrative expenses are stated after charging:		
Fees payable to the Company's auditor for the audit of the Company's annual accounts.	3,728	3,090

4 Staff costs and Directors Remuneration

The Company had no employees other than the Directors, who did not receive any remuneration in respect of their services to the Company during the year to 31 March 2015 (2014: £nil).

Notes to the financial statements

5 Tax on profit on ordinary activities

	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
The tax charge for the period of £nil differs from the standard rate of corporation tax in the UK of 21% (2014: 23%). The differences are explained below:		
Loss on ordinary activities before taxation	(3,728)	(3,090)
Tax on loss at standard UK tax rate	(783)	(711)
Group relief not paid for	783	711
Current tax charge for the period	-	-

6 Investments

	Share Capital	Loans	Total
	£	£	£
At 1 April 2013	2	191,971,470	191,971,472
Additions	-	21,085,935	21,085,935
Repayments	-	-	-
At 31 March 2014	2	213,057,405	213,057,407

The Company makes loans to its subsidiary Dalmore Capital (Para 1) Limited in order for it to make investments.

The Company holds 2 ordinary shares in its subsidiary Dalmore Capital (Para 1) Limited, being 100% of its subsidiary's issued share capital.

In addition, the Company had other related undertakings. These are listed in note 14.

7 Debtors

	31 March 2014	31 March 2013
	£	£
Amounts due in less than one year:		
Accrued interest receivable	1,911,617	2,680,774
Amounts receivable from holding company	2	2
	1,911,619	2,680,776

Notes to the financial statements

8 Creditors: amounts falling due within one year

	31 March 2014	31 March 2013
	£	£
Interest payable on Long term loans	2,854,620	2,680,774
Other creditors	50	50
Accruals	16,790	13,290
	2,871,460	2,694,114

9 Creditors: amounts falling due after one year

	31 March 2014	31 March 2013
	£	£
Loans falling due after more than one year	213,057,407	191,971,472
	213,057,407	191,971,472
Loan Maturity Analysis In more than five years	213,057,407	191,971,472

The bonds have been raised on the Channel Islands Stock Exchange in the form of Eurobonds and bear interest at varying rates between 6% index-linked and 8.50%.

The maturity date of these loans is 31 March 2044.

10 Share Capital

	31 March 2014	31 March 2013
	£	£
Allotted, called up and fully paid		
2 Ordinary Shares of £1 each	2	2

On incorporation 2 Ordinary shares of £1 each were issued.

11 Statement of movements on reserves

	Profit and loss account	
	Year ended 31 March 2015	Year ended 31 March 2014
	£	£
Opening balance	(13,303)	(10,213)
(Loss) for the period	(3,728)	(3,090)
Balance at 31 March	(17,031)	(13,303)

Notes to the financial statements

12 Related parties

The Company has taken advantage of the exemption in the Financial Reporting Standard for Smaller Entities from the requirement to disclose transactions with wholly owned group companies.

13 Controlling party

The company is owned and controlled by Dalmore Capital Fund LP, a limited partnership registered in England who is also its ultimate parent undertaking.

14 Related undertakings

The Company had the following related undertakings which the Company had direct or indirect control of:

- Dalmore Capital (Carlisle 1) Limited
- Dalmore Capital (Corsham 1) Limited
- Dalmore Capital (Rochdale) Limited
- Dalmore Capital (Rochdale 2) Limited
- Investments in Education Limited
- PFI (Pacific) Limited
- Cobalt Project Investments Limited
- Cobalt CPI Limited
- Cobalt Project investments (Hull BSF) Limited
- Cobalt Project Investments (Taycare) Limited