

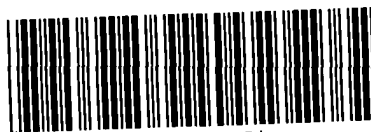
**COLNE INVESTMENTS 2 HOLDCO LIMITED**  
**ANNUAL REPORT AND FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 31 MARCH 2018**

**COMPANIES HOUSE**  
**EDINBURGH**

**05 OCT 2018**

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COMPANIES HOUSE

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## COMPANY INFORMATION

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<b>Directors</b>	J McDonagh M Ryan A Ray
<b>Secretary</b>	J McKay Pinsent Masons Secretarial Limited
<b>Company number</b>	9368997
<b>Registered office</b>	1 Park Row Leeds United Kingdom LS1 5AB
<b>Independent auditors</b>	PricewaterhouseCoopers LLP Chartered Accountants and Statutory Auditors Atria One 144 Morrison Street Edinburgh EH3 8EX

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# COLNE INVESTMENTS 2 HOLDCO LIMITED

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# **COLNE INVESTMENTS 2 HOLDCO LIMITED**

## **DIRECTORS' REPORT**

**FOR THE YEAR ENDED 31 MARCH 2018**

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The directors present their annual report and audited financial statements for the year ended 31 March 2018.

### **Principal activities**

The principal activity of the Company is to act as a holding company. The company issues Eurobonds to Colne Investments 2 Limited Partnership and then subsequently provides funding to its investment, Colne Topco Limited. Colne Topco Limited has invested in a single asset, RMPA Services plc, a company which has designed, built and continues to finance a garrison facility at Colchester.

### **Directors**

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

J McDonagh  
M Ryan  
A Ray

### **Results and dividends**

The results for the year are set out on page 8.

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

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

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

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

### **Independent auditors**

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

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

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## DIRECTORS' REPORT (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### Going concern

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

The Company's forecasts and projections, taking account of reasonably possible changes in trading performance, indicate that the Company should be able to operate within the level of its current resources. The Company's going concern is dependent on the performance of the investments held by its associate, Colne Topco 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, it has been taken into consideration that all committed investments of the Company and its subsidiary holding companies are covered by commitments from the partners of the Colne Investments 2 LP ("the Fund").

In light of this, the directors continue to adopt the going concern basis of accounting in preparing the year end financial statements. As the Company has both net current liabilities and net liabilities as at 31 March 2018, Dalmore Capital 11 GP Limited has provided a letter of support to the company in its capacity as general partner of the Fund.

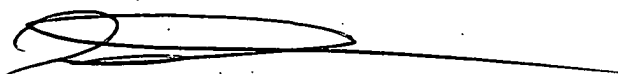
### Key performance indicators

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 its 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 each of the relevant loan agreements.

### Small company provisions

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

On behalf of the board



J McDonagh

Director

26 September 2018

# **COLNE INVESTMENTS 2 HOLDCO LIMITED**

## **DIRECTORS' RESPONSIBILITIES STATEMENT FOR THE YEAR ENDED 31 MARCH 2018**

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have prepared the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" Section 1A, and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and of the profit or loss of the Company for that period. In preparing the financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 Section 1A, have been followed, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are 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.

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBER OF COLNE INVESTMENTS 2 HOLDCO LIMITED

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

##### Opinion

In our opinion, Colne Investments 2 Holdco Limited's financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2018 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 2018; the statement of comprehensive income, the statement of changes in equity for the year then ended; the accounting policies; and the notes to the financial statements.

##### Basis for opinion

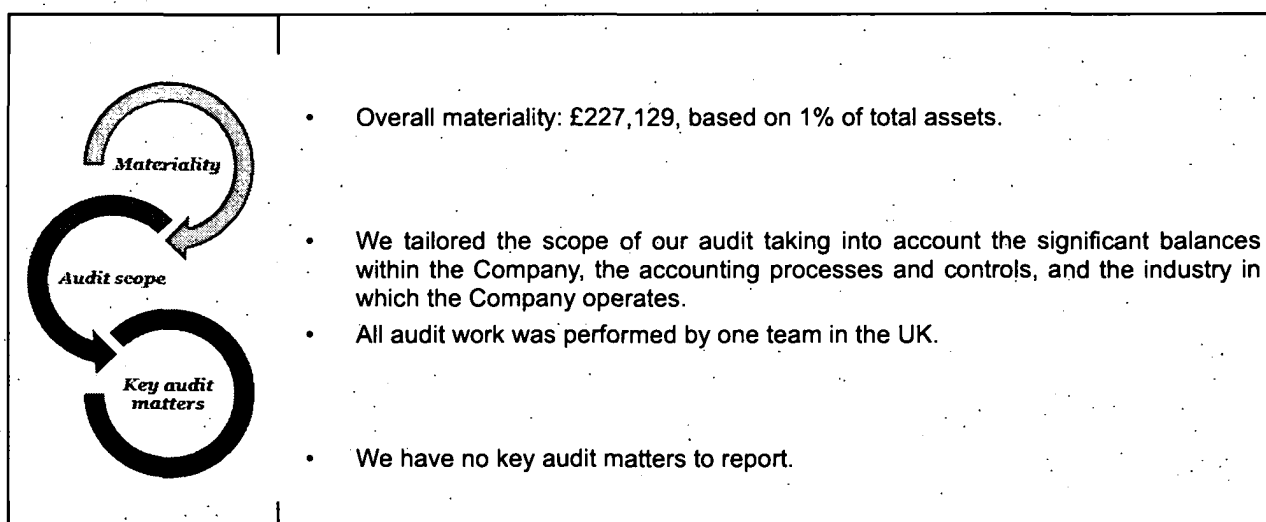
We conducted our audit in accordance with International Standards on Auditing (UK) ("ISAs (UK)") and applicable law. Our responsibilities under ISAs (UK) are further described in the Auditors' responsibilities for the audit of the financial statements section of our report. We believe that the audit 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, as applicable to listed entities, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

#### Our audit approach

##### Overview



# COLNE INVESTMENTS 2 HOLDCO LIMITED

## INDEPENDENT AUDITORS' REPORT (CONTINUED)

### TO THE MEMBER OF COLNE INVESTMENTS 2 HOLDCO LIMITED

#### *The scope of our audit*

As part of designing our audit, we determined materiality and assessed the risks of material misstatement in the financial statements. In particular, we looked at where the directors made subjective judgements, for example in respect of significant accounting estimates that involved making assumptions and considering future events that are inherently uncertain.

As in all of our audits we also addressed the risk of management override of internal controls, including evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

#### *Key audit matters*

Key audit matters are those matters that, in the auditors' professional judgement, were of most significance in the audit of the financial statements of the current period and include the most significant assessed risks of material misstatement (whether or not due to fraud) identified by the auditors, including those which had the greatest effect on: the overall audit strategy; the allocation of resources in the audit; and directing the efforts of the engagement team. We determined that there were no key audit matters applicable to the company to communicate in our report.

#### *How we tailored the audit scope*

We tailored the scope of our audit to ensure that we performed enough work to be able to give an opinion on the financial statements as a whole, taking into account the structure of the company, the accounting processes and controls, and the industry in which it operates.

#### *Materiality*

The scope of our audit was influenced by our application of materiality. We set certain quantitative thresholds for materiality. These, together with qualitative considerations, helped us to determine the scope of our audit and the nature, timing and extent of our audit procedures on the individual financial statement line items and disclosures and in evaluating the effect of misstatements, both individually and in aggregate on the financial statements as a whole.

Based on our professional judgement, we determined materiality for the financial statements as a whole as follows:

<b>Overall materiality</b>	£227,129.
<b>How we determined it</b>	1% of total assets.
<b>Rationale for benchmark applied</b>	As the company is a non-profit orientated intermediate investment holding company, we deemed total assets to be the most appropriate benchmark.

We agreed with the Directors that we would report to them misstatements identified during our audit above £11,356 as well as misstatements below that amount that, in our view, warranted reporting for qualitative reasons.

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

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

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

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.



# **COLNE INVESTMENTS 2 HOLDCO LIMITED**

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

### **TO THE MEMBER OF COLNE INVESTMENTS 2 HOLDCO LIMITED**

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

The other information comprises all of the information in the Annual Report other than the financial statements and our auditors' report thereon. The directors are responsible for the other information. Our opinion on the financial statements does not cover the other information and, accordingly, we do not express an audit opinion 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 2018 is consistent with the financial statements and has been prepared in accordance with applicable legal requirements.

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

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

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

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

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

##### *Auditors' responsibilities for the audit of the financial statements*

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

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

##### *Use of this report*

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

# **COLNE INVESTMENTS 2 HOLDCO LIMITED**

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

### **TO THE MEMBER OF COLNE INVESTMENTS 2 HOLDCO LIMITED**

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#### **Other required reporting**

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

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

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

We have no exceptions to report arising from this responsibility.

#### **Entitlement to exemptions**

Under the Companies Act 2006 we are required to report to you if, in our opinion, the directors were not entitled to: prepare financial statements in accordance with the small companies regime; 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 and Statutory Auditors  
Edinburgh  
28 September 2018

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED 31 MARCH 2018

		2018 £	2017 £
Administrative expenses		7,526	(5,052)
Interest receivable and similar income	5	1,955,487	1,810,949
Interest payable and similar expenses	6	(2,332,090)	(2,243,851)
<b>Loss before taxation</b>		<b>(369,077)</b>	<b>(437,954)</b>
Tax on loss	7	-	-
<b>Loss for the financial year</b>		<b>(369,077)</b>	<b>(437,954)</b>

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

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

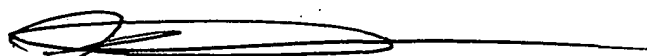
## STATEMENT OF FINANCIAL POSITION

AS AT 31 MARCH 2018

	Note	2018 £	£	2017 £	£
<b>Fixed assets</b>					
Investments	8	22,712,957		22,144,161	
<b>Current assets</b>					
Debtors amounts falling due within one year	10	-		1,523	
<b>Creditors: amounts falling due within one year</b>	11	(1,050,460)		(114,110)	
<b>Net current liabilities</b>		(1,050,460)		(112,587)	
<b>Total assets less current liabilities</b>		21,662,497		22,031,574	
<b>Creditors: amounts falling due after more than one year</b>	12	(22,684,411)		(22,684,411)	
<b>Net liabilities</b>		(1,021,914)		(652,837)	
<b>Capital and reserves</b>					
Called up share capital	13	2		2	
Accumulated losses		(1,021,916)		(652,839)	
<b>Total shareholders' deficit</b>		(1,021,914)		(652,837)	

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 September 2018 and are signed on its behalf by:



J McDonagh  
Director

Company Registration No. 9368997

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH 2018

	Called up share capital £	Accumulated losses £	Total equity £
Balance at 1 April 2016	2	(214,885)	(214,883)
Year ended 31 March 2017:			
Loss and total comprehensive expense for the financial year	-	(437,954)	(437,954)
Balance at 31 March 2017	2	(652,839)	(652,837)
Year ended 31 March 2018:			
Loss and total comprehensive expense for the financial year	-	(369,077)	(369,077)
Balance at 31 March 2018	2	(1,021,916)	(1,021,914)

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

#### Company information

Colne Investments 2 Holdco Limited is a private company limited by shares incorporated in England and Wales. The registered office is 1 Park Row, Leeds, United Kingdom, LS1 5AB.

#### 1.1 Accounting convention

These financial statements have been prepared in accordance with FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" ("FRS 102") including Section 1A and the requirements of the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A of FRS 102 have been applied other than where additional disclosure is required to show a true and fair view.

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

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

#### 1.2 Going concern

Although the Company has net liabilities as at 31 March 2018, the accounts have been prepared on the assumption that the Company is able to carry on business as a going concern. The directors consider this appropriate as outlined in their report on page 2.

#### 1.3 Investments

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

An associate is an entity, being neither a subsidiary nor a joint venture, in which the Company holds a long-term interest and where the Company has significant influence. The Company considers that it has significant influence where it has the power to participate in the financial and operating decisions of the associate.

#### 1.4 Financial instruments

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

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

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

#### Basic financial assets

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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### 1 Accounting policies

(Continued)

#### **Classification of financial liabilities**

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

#### **Basic financial liabilities**

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

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

### 1.5 Equity instruments

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

### 1.6 Taxation

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

#### **Current tax**

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

#### **Deferred tax**

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

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

### 1.7 Cash flow

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 2 Judgements and key sources of estimation uncertainty

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

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

#### Critical judgements

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

#### Valuation of investments

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

### 3 Staff costs and directors' remuneration

The Company had no employees other than the directors (2017: none), who did not receive any remuneration in respect of their services to the Company during the year to 31 March 2018 (2017: £nil).

### 4 Auditors' remuneration

Audit fees of £2,500 (2017: £2,500) and tax compliance services of £1,300 (2017: £1,260) were borne by Colne Investments 2 LP.

### 5 Interest receivable and similar income

	2018 £	2017 £
Interest receivable and similar income includes the following:		
Income from participating interests	<u>1,955,487</u>	<u>1,810,949</u>

### 6 Interest payable and similar expenses

	2018 £	2017 £
Interest payable and similar expenses includes the following:		
Eurobond interest and loan indexation payable to group undertakings	<u>2,332,090</u>	<u>2,243,851</u>



# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

### 7 Taxation

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

	2018 £	2017 £
Loss before taxation	(369,077)	(437,954)
Expected tax credit based on the standard rate of corporation tax in the UK of 19.00% (2017: 20.00%)	(70,125)	(87,591)
Unutilised tax losses carried forward	70,125	87,591
Taxation charge for the year	-	-

The Company has estimated losses of £1,021,916 (2017: £652,839) available for carry forward against future trading profits. These have not been recognised on the basis that these future profits are not sufficiently foreseeable in the near future.

### 8 Investments

	2018 £	2017 £
Investments	28	28
Loans	22,712,929	22,144,133
	22,712,957	22,144,161

The Company advances loans to its associate, Colne Topco Limited, in order for it to make investments. At the year end, the Company had advanced £2,816,499 (2017: £2,816,499) of zero-rated loan stock and £19,896,430 (2017: £19,327,634) of unsecured index-linked loan notes 2039 to Colne Topco Limited. The unsecured index-linked loan notes 2039 bear interest at a rate of 6%, index-linked in line with RPIX, and are repayable by 28 February 2039.

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 31 MARCH 2018

### 8 Investments

(Continued)

#### Movements in investments

	Shares in group undertakings and participating interests £	Loans to group undertakings and participating interests £	Total £
<b>Cost or valuation</b>			
At 1 April 2017	28	22,144,133	22,144,161
Indexation	-	568,796	568,796
At 31 March 2018	28	22,712,929	22,712,957
<b>Carrying amount</b>			
At 31 March 2018	28	22,712,929	22,712,957
At 31 March 2017	28	22,144,133	22,144,161

### 9 Associates

Details of the Company's associates at 31 March 2018 are as follows:

Name of undertaking	Registered office	Nature of business	Class of shares held	% Held Direct Indirect
Colne Topco Limited	1 Park Row, Leeds, LS1 5AB, United Kingdom	Holding company	Ordinary shares	27.90

### 10 Debtors

	2018 £	2017 £
<b>Amounts falling due within one year:</b>		
Amounts owed by group undertakings	-	1,523

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

# COLNE INVESTMENTS 2 HOLDCO LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

FOR THE YEAR ENDED 31 MARCH 2018

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

	2018 £	2017 £
Amounts due to group undertakings	968,831	-
Amounts due to undertakings in which the company has a participating interest	81,629	114,110
	<u>1,050,460</u>	<u>114,110</u>

Amounts due to group undertakings and undertakings in which the Company has a participating interest are interest free, unsecured and are repayable on demand.

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

	2018 £	2017 £
Eurobonds owed to group undertakings	<u>22,684,411</u>	<u>22,684,411</u>

Eurobonds owed to group undertakings have been advanced by the ultimate controlling party, Colne Investments 2 Limited Partnership. These Eurobonds bear an interest rate of 6%, index-linked in line with RPIX, and are repayable in 2039.

### 13 Called up share capital

	2018 £	2017 £
<b>Ordinary share capital</b>		
<b>Issued and fully paid</b>		
2 Ordinary shares (2017: 2) of £1 each	2	2
	<u>2</u>	<u>2</u>

### 14 Related party transactions

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

During the year, the Company received interest and loan indexation of £1,955,487 (2017: £1,810,949) from Colne Topco Limited, an associate. At the year end there was an amount due to Colne Topco Limited of £109,754 (2017: £114,110).

# **COLNE INVESTMENTS 2 HOLDCO LIMITED**

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

**FOR THE YEAR ENDED 31 MARCH 2018**

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### **15 Controlling party**

The immediate parent undertaking is Dalmore Capital 11 GP Limited, acting in its capacity as general partner of Colne Investments 2 LP. Dalmore Capital 11 GP Limited is a company incorporated in the United Kingdom and registered in England and Wales.

The ultimate controlling party is Colne Investments 2 LP, a limited partnership registered in England. Copies of the financial statements of Colne Investments 2 LP can be obtained from the General Partner at 35 Melville Street, Edinburgh, EH3 7JF.