

# **James Gillespie's Campus Subhub Holdings Limited**

Report and financial statements  
For the period ended 31 March 2014



**Company No. SC454429**

## Officers and professional advisers

<b>Company registration number</b>	SC454429
<b>Registered office</b>	Atholl House 51 Melville Street Edinburgh EH3 7HL
<b>Directors</b>	K Bradley J Elliott J Hope A Lawton-Wallace A McCrorie P McGirk M Blencowe
<b>Company Secretary</b>	Galliford Try Secretariat Services Limited
<b>Bankers</b>	Barclays Bank Plc 1 St Andrew Square Edinburgh EH2 2BD
<b>Auditor</b>	Scott-Moncrieff Exchange Place 3 Sempie Street Edinburgh EH3 8BL

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## Report of the directors

The directors submit their report and the audited financial statements for the period commencing on the date of incorporation (12 July 2013) and ending on 31 March 2014.

### **Business review and principal activities**

The Company, incorporated on 12 July 2013, has been established as a non-trading holding company for the investment in James Gillespie's Campus Subhub Limited. James Gillespie's Campus Subhub Limited has entered into a Design, Build, Finance and Maintain ("DBFM") concession contract with the City of Edinburgh Council. The DBFM contract involves the design, build and financing of the new James Gillespie's High School campus together with the provision of certain facilities management services within the building. The Project Agreement between James Gillespie's Campus Subhub Limited and the City of Edinburgh Council was signed on 9 December 2013.

As part of this contract, James Gillespie's Campus Subhub Limited has entered into a fixed-price sub-contract with Galliford Try Construction Limited to design and build the facility. The construction of the school is due to complete in 4 phases between August 2014 and 2016.

James Gillespie's Campus Subhub Limited has also entered into a sub-contract with Galliford Try Facilities Management for the provision of facilities management services within the school.

The DBFM project is being financed by a combination of senior and subordinated debt. Senior debt facilities of approximately £33.7m, provided by AVIVA and £3.1m of subordinated debt provided in instalments by equity shareholders, will fund the construction of the campus.

The campus is due to be handed over to City of Edinburgh Council in phases from August 2014 and the operating term of the DBFM contract is 25 years from the final phase handover (ending in 2041).

### **Future developments**

The directors do not anticipate any changes in the Company's activities.

### **Key performance indicators "KPIs"**

Given the straightforward nature of the business, the Company's directors are of the opinion that analysis using KPIs is not necessary for an understanding of the development, performance or position of the business.

### **Results**

The profit and loss account for the period is set out on page 8. During the period the company performed in line with expectation and reported a profit of £nil.

## Report of the directors (continued)

### **Directors and their interests**

The directors of the Company who held office during the period and to date are as follows:

J Hope (appointed on incorporation)  
K Bradley (appointed on 15 August 2013)  
A Bruce (appointed 15 August 2013, resigned 9 December 2013)  
J Elliott (appointed 15 August 2013)  
A Lawton-Wallace (appointed 15 August 2013)  
A McCrorie (appointed 15 August 2013)  
P McGirk (appointed 24 July 2013)  
I Graham (appointed 15 August 2013, resigned 10 June 2014)  
M Blencowe (appointed 9 December 2013).

In accordance with the Company's Articles of Association, none of its directors are required to retire.

### **Statement of directors' responsibilities**

The directors are responsible for preparing the Annual 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). The financial statements are required by law to 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 these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and 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 confirm that they have complied with the above requirements in preparing the financial statements.

The directors are responsible for keeping proper accounting records that 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.

## Report of the directors (continued)

### **Disclosure of information to the auditor**

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as each director is aware, there is no relevant information of which the company's auditor is unaware, and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information, and to establish that the company's auditor is aware of the information.

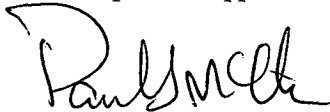
### **Auditor**

The auditor, Scott-Moncrieff, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

### **Small company exemption**

The above report has been prepared in accordance with the provisions applicable to companies subject to the small companies regime within part 15 of the Companies Act 2006.

This report was approved by the Board on 25 September 2014 and signed on its behalf by:



**P McGirk**  
**Director**

## **Report of the independent auditor to the members of James Gillespie's Campus Subhub Holdings Limited**

We have audited the financial statements of James Gillespie's Campus Subhub Holdings Limited for the period ended 31 March 2014 which comprises the Profit and Loss Account, the Balance Sheet and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

This report is made solely to the company's members as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

### **Respective responsibilities of the directors and auditor**

As explained more fully in the Statement of Directors' Responsibilities set out on page 4, 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). Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors.

### **Scope of the audit of the financial statements**

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at [www.frc.org.uk/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

### **Opinion on financial statements**

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2014 and of its result for the period then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

### **Opinion on other matter prescribed by the Companies Act 2006**

In our opinion the information given in the Report of the Directors for the financial period for which the financial statements are prepared is consistent with the financial statements.

### **Matters on which we are required to report by exception**

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

## Report of the independent auditor to the members of James Gillespie's Campus Subhub Holdings Limited

- 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; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the report of the directors and take advantage of the small companies exemption from the requirement to prepare a strategic report.



**Nick Bennett (Senior Statutory Auditor)**  
**for and on behalf of Scott-Moncrieff**  
**Statutory Auditor**  
**Chartered Accountants**  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

Date: 25 September 2014



## Profit and loss account for the period ended 31 March 2014

		From the date of incorporation to 31 March 2014
	Note	£
Administration expenses		-
<b>Operating profit</b>	2	-
Interest payable	3	(41,401)
Interest receivable	3	41,401
<b>Profit on ordinary activities before taxation</b>		-
Taxation	4	-
<b>Retained profit for the year</b>	9	-

All activities are continuing.

The Company has no other gains and losses and therefore a statement of total recognised gains and losses has not been prepared.

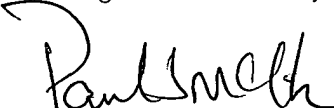
The notes form part of these financial statements.

## Balance sheet as at 31 March 2014

	Note	2014 £
<b>Fixed Assets</b>		
Investments	5	100
<b>Non current assets</b>		
Amounts payable from subsidiary	6	1,293,826
<b>Total assets less current liabilities</b>		<u>1,293,926</u>
Creditors - amounts falling due after more than one year	7	(1,293,826)
<b>Net assets</b>		<u><u>100</u></u>
<b>Capital and reserves</b>		
Called-up share capital	8	100
Profit and loss reserve		-
<b>Equity shareholders' funds</b>	9	<u><u>100</u></u>

The financial statements have been prepared in accordance with the special provisions relating to small companies within Part 15 of the Companies Act 2006.

The financial statements were authorised for issued by the board of directors on 25 September 2014 and are signed on its behalf by:

  
 .....  
 P McGirk  
 Director

**Registered Number: SC454429**

The notes form part of these financial statements.

## Notes to the financial statements

### 1 Principal accounting policies

(a) **Basis of preparation**

The financial statements are prepared on the going concern basis, under the historical cost convention and in accordance with the Companies Act 2006 and applicable Accounting Standards in the United Kingdom, which in this case is Financial Reporting Standard 102. A summary of the more important accounting policies is set out below.

(b) **Going concern**

The company is being used to hold the subordinated debt in respect of the James Gillespie Campus project and this debt will not be repaid in the 12 months from the signing of the financial statements and thus the directors confirm that they view the company as a going concern.

(c) **Consolidation**

James Gillespie's Campus Subhub Holdings Limited and James Gillespie's Campus Subhub Limited are included within the group accounts prepared by the parent undertaking, Hub South East Scotland Limited.

(d) **Cash flow statement**

No cash flow statement has been prepared as a consolidated cash flow statement has been prepared in the group accounts noted above.

(e) **Investments**

The investment in the subsidiary undertaking is stated at cost. The carrying value of the investment is reviewed annually by the directors to determine whether there has been any impairment.

(f) **Financial liabilities**

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. Finance costs and gains or losses relating to financial liabilities are charged to the financial asset during the construction phase of the library and will be charged to the profit and loss account once construction of the library is complete. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

### 2 Operating result

None of the directors received any remuneration as directors from the Company during the year. The Company has no directly employed personnel. Auditor's remuneration and all administrative expenses are paid by the Company's subsidiary, James Gillespie's Campus Subhub Limited.

## Notes to the financial statements

### 3 Interest receivable and payable

	£
<b>Interest receivable</b>	
Interest receivable from subsidiary undertaking	<u>41,401</u>
<b>Interest payable</b>	
Interest payable in respect of subordinated debt	<u>(41,401)</u>

### 4 Taxation

The results for the period do not give rise to a tax charge.

### 5 Investments

	2014 £
<b>Shares held at cost - Additions</b>	<u>100</u>
<b>At 31 March 2014</b>	<u>100</u>

The Company has invested £100 in the share capital of James Gillespie's Campus Subhub Limited, a company which has entered into a DBFM contract with the City of Edinburgh Council. The investment comprises 100 ordinary shares of £1 each. The shares held in James Gillespie's Campus Subhub Limited have been pledged to AVIVA, as security trustee under the senior financing documents of the DBFM contract.

Details of this investment are in the table below.

Name	Shareholding	Year end	Equity shareholders funds	Profit for the period to 31 March 2014
James Gillespie's Campus Subhub Limited	100%	31 March	£54,413	£54,313

## Notes to the financial statements

### 6 Non-current assets: Amounts payable from subsidiary

	2014 £
Amounts falling due after more than one year	
Subordinated loan notes from subsidiary undertaking	<u>1,293,826</u>

During the period the Company invested £1,252,425 in the form of fixed rate subordinated loan notes from its wholly owned subsidiary James Gillespie's Campus Subhub Limited. The loans are stated at amortised cost, using the effective interest rate method. Interest is receivable at a rate of 10.87% with the final redemption date of 31 March 2038. The loan notes are unsecured and are repayable in instalments commencing on 31 March 2017 and ending on 31 March 2038. Loan interest of £41,401 due for the year has been rolled up in the balance due.

### 7 Creditors: amounts falling greater than 1 year

	2014 £
Amounts falling due in more than one year	
Subordinated loan notes from related parties	1,293,826
	<u>1,293,826</u>

During the period the Company received £1,252,425 in the form of fixed rate subordinated loan notes held by Scottish Futures Trust. The loans are stated at amortised cost, using the effective interest rate method. Interest is payable a rate of 10.87% until the final redemption date of 31 March 2038. The loan notes are unsecured and are repayable in instalments commencing on 31 March 2017 and ending on 31 March 2038. Loan interest of £41,401 due in the year has been rolled up in the balance due.

Aviva Public Private Finance Limited hold fixed and floating charges over the Company and its assets in respect of funds lent by Aviva Public Private Finance Limited to the Company's subsidiary, James Gillespie's Campus Subhub Limited.

## Notes to the financial statements

### 8 Called up share capital

	2014 £
<b>Allotted, issued and fully paid</b>	
100 ordinary shares of £1 each	100
	<u>100</u>

The Company was incorporated on 12 July 2013 with authorised share capital of 100 ordinary shares of £1 each.

### 9 Reconciliation of movement in shareholders' funds

	2014 £
Opening shareholders' funds	-
Issue of equity shares	100
Retained profit for the year	-
	<u>100</u>
Closing shareholders' funds	<u>100</u>

### 10 Related party transactions

During the period ended 31 March 2014 the Company incurred an interest charge of £41,401 on subordinated loan notes totalling £1,252,425 held by Scottish Futures Trust Limited. In the same period the Company charged interest of £41,401 to its subsidiary undertaking James Gillespie's Campus Subhub Limited in respect of £1,242,425 of subordinated loan notes held by the Company. As at 31 March 2014 £41,401 remains due to Scottish Futures Trust and £41,401 remains due from James Gillespie's Campus Subhub Limited. This is as anticipated by the loan note instrument and the interest has been rolled up into the loan balances while the asset is in construction.

### 11 Immediate and ultimate parent undertaking

The Company is 100% owned by Hub South East Scotland Limited. Hub South East Scotland Limited is incorporated in Scotland. Financial statements of Hub South East Scotland Limited are available from the Company Secretary at 51 Melville Street, Edinburgh EH3 7HL.

The Directors consider there to be no ultimate controlling party.