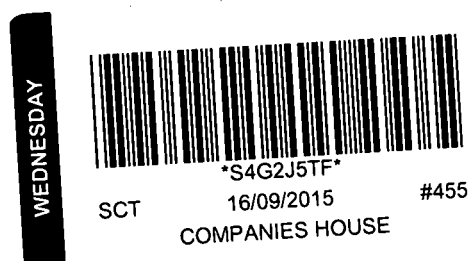


James Gillespie's Campus Subhub Holdings Limited

Report and financial statements
For the period ended 31 March 2015



Company No. SC454429

Officers and professional advisers

Company registration number	SC454429
Registered office	Atholl House 51 Melville Street Edinburgh EH3 7HL
Directors	K Bradley J Elliott J Hope A Lawton-Wallace A McCrorie P McGirk M Blencowe G Sheret
Company Secretary	Galliford Try Secretariat Services Limited
Bankers	Barclays Bank Plc 1 St Andrew Square Edinburgh EH2 2BD
Auditor	Scott-Moncrieff Chartered Accountants 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 year ending on 31 March 2015.

Business review and principal activities

The Company 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 will be handed over to City of Edinburgh Council in phases from August 2014. The operating term of the DBFM contract is 25 years from the final phase handover (ending in 2041). The first part of Brunsfield House was successfully handed over on 8 August 2014. The unitary charge and facilities management (FM) fees commenced from this date. Since the year end Phase 1 of the project was successfully handed over resulting in increased unitary charge and FM fees from 3 April 2015.

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 year the company performed in line with expectation and reported a profit of £nil (2014: £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
K Bradley
J Elliott
A Lawton-Wallace
A McCrorie
P McGirk
I Graham (resigned 10 June 2014)
G Sheret (appointed 22 July 2014)
M Blencowe

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 Report of the directors 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 7 September 2015 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 year ended 31 March 2015 which comprises the Profit and Loss Account, the Balance Sheet, the Statement of Changes in Equity 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 the 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/auditscopeukprivate.

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 2015 and of its result for the year 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 year 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
Sempie Street
Edinburgh
EH3 8BL

Date: 8 September 2015

Profit and loss account for the year ended 31 March 2015

		Year to 31 March 2015	From the date of incorporation to 31 March 2014
	Note	£	£
Administration expenses		-	-
Operating profit	2	-	-
Interest payable	3	(139,758)	(41,401)
Interest receivable	3	139,758	41,401
Profit on ordinary activities before taxation		-	-
Taxation	4	-	-
Retained profit for the year	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.

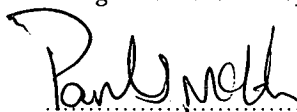
The notes form part of these financial statements.

Balance sheet as at 31 March 2015

	Note	2015 £	2014 £
Fixed Assets			
Investments	5	100	100
Non-current assets			
Amounts payable from subsidiary	6	1,433,584	1,293,826
Total assets less current liabilities		<u>1,433,684</u>	<u>1,293,926</u>
Creditors - amounts falling due after more than one year	7	(1,433,584)	(1,293,826)
Net assets		<u>100</u>	<u>100</u>
Capital and reserves			
Called-up share capital	8	100	100
Profit and loss reserve		-	-
Equity shareholders' funds	9	<u>100</u>	<u>100</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 7 September 2015 and are signed on its behalf by:



P McGirk
Director

Registered Number: SC454429

The notes form part of these financial statements.

Statement of Changes in Equity for the year ended 31 March 2015

	Called up share capital £	Profit & Loss Account £	Total £
At 1 April 2014	100	-	100
Profit for the year	-	-	-
Issue of shares	-	-	-
As at 31 March 2015	100	-	100

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. 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.

(g) Cash flow statement

A cash flow statement has not been prepared as the company has had no cash movements during the year.

2 Operating result

None of the directors received any remuneration as directors from the Company during the year (2014: £nil). 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

	2015 £	2014 £
Interest receivable		
Interest receivable from subsidiary undertaking	<u>139,758</u>	<u>41,401</u>
Interest payable		
Interest payable in respect of subordinated debt	<u>(139,758)</u>	<u>(41,401)</u>

4 Taxation

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

5 Investments

	Shareholding in group undertakings £
At 1 April 2014 and 31 March 2015	<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 year to 31 March 2015
James Gillespie's Campus Subhub Limited	100%	31 March 2015	£341,750	£287,337

Notes to the financial statements

6 Non-current assets: Amounts payable from subsidiary

	2015 £	2014 £
Amounts falling due after more than one year		
Subordinated loan notes from subsidiary undertaking	<u>1,433,584</u>	<u>1,293,826</u>

During the year the Company invested £nil (2014: £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 £139,758 (2014: £41,401) receivable for the year has been rolled up in the balance outstanding.

7 Creditors: amounts falling greater than 1 year

	2015 £	2014 £
Amounts falling due in more than one year		
Subordinated loan notes from related parties	<u>1,433,584</u>	<u>1,293,826</u>

During the year the Company received £nil (2014: £1,252,425) in the form of fixed rate subordinated loan notes held by Scottish Futures Trust Investments Limited. 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 £139,758 (2014: £41,401) payable in the year has been rolled up in the balance outstanding.

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

	2015	2014
	£	£
Allotted, issued and fully paid		
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>

9 Reconciliation of movement in shareholder's funds

	2015	2014
	£	£
Opening shareholder's funds	100	-
Issue of equity shares	-	100
Retained profit for the year	-	-
Closing shareholder's funds	<u>100</u>	<u>100</u>

10 Related party transactions

During the year the Company incurred an interest charge of £139,758 (2014: £41,401) on subordinated loan notes totalling £1,252,425 (2014: £1,252,425) held by Scottish Futures Trust Limited. In the same period the Company charged interest of £139,758 (2014: £41,401) to its subsidiary undertaking James Gillespie's Campus Subhub Limited in respect of £1,252,425 (2014: £1,252,425) of subordinated loan notes held by the Company. As at 31 March 2015 £181,159 (2014: £41,401) remains payable to Scottish Futures Trust Investments Limited and £181,159 (2014: £41,401) remains receivable 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.