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**HUB WEST SCOTLAND  
PROJECT COMPANY (NO.3) LIMITED**

Company Registration No. SC497540

**ANNUAL REPORT AND FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 31 MARCH 2019**

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COMPANIES HOUSE

## **HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED**

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## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### Company Information

<b>Directors</b>	P K Daws	(Appointed on 30 April 2019)
	N W Gemmell	
	D G Lane	
	M B P McCrossan	
	H Otti	(Appointed 1 June 2019)
	G J Shirreff	
	A J Titmus	(Appointed 8 August 2018)
	W A Erlam	(Appointed 20 April 2018, Resigned 1 June 2019)
	A E D MacDonald	(Resigned 20 April 2018)
	R O'Kane	(Resigned 30 April 2019)
	A J Powell	(Resigned 8 August 2018)
	L Scenna	(Resigned 4 March 2019)

**Company Secretary** C Sheridan

**Registered Office** 6<sup>th</sup> Floor Merchant Exchange  
20 Bell Street  
Glasgow  
United Kingdom  
G1 1LG

**Auditor** BDO LLP  
55 Baker Street  
London  
United Kingdom  
W1U 7EU

## **HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED**

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### **Directors' Report**

**For the year ended 31 March 2019**

The directors of Hub West Scotland Project Company (No.3) Limited (the "Company") present their annual report and the audited financial statements for the year ended 31 March 2019. The annual report comprises the directors' report, which provides the information required by the Companies Act 2006. The financial statements have been prepared under Financial Reporting Standard 102 (FRS 102) the Financial Reporting Standard Applicable in the UK and Republic of Ireland.

#### **Principal activities**

The principal activity of the Company is to design, build, finance and maintain the Barrhead High School located in the West of Scotland.

The Company was incorporated on 11 February 2015 and commenced trading on 21 March 2016 when the project reached financial close.

The results for the period are included on page 7.

#### **Dividends**

The directors do not recommend the payment of a dividend (2018: £nil).

#### **Directors**

The current directors of the Company, who served throughout the period and subsequently unless otherwise stated, are shown on page 1.

#### **Going concern**

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the Company. The Company produces long-term financial forecasts which show the Company is able to operate and meet its financial obligations as they fall due, including compliance with all loan agreements. Based on this review and the future business prospects of the Company, the directors believe the Company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

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

The directors of the Company have qualifying third party indemnity provisions put in place through other related companies.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### **Directors' Report (continued)** **For the year ended 31 March 2019**

#### **Directors' responsibilities statement**

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). 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 these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent;
- 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.

#### **Auditor and disclosure of information to auditor**

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as each of the directors is aware, there is no relevant audit information of which the Company's auditor is unaware; and
- each of the directors has taken all the steps that they ought to have taken as a director to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

This report has been prepared in accordance with the special provisions relating to companies subject to the small companies regime within Part 15 of the Companies Act 2006.

**Approved for and on behalf of the Board**



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H Otti  
31<sup>st</sup> July 2019

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED For the year ended 31 March 2019

We have audited the financial statements of Hub West Scotland Project Company (No.3) Limited for the year ended 31 March 2019 which comprise the statement of comprehensive income, statement of financial position, statement of changes in equity, statement of cash flows, principal accounting policies and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (United Kingdom Generally Accepted Accounting Practice)

In our opinion, the financial statements:

- Give a true and fair view of the state of the company's affairs as at 31 March 2019 and of its profit 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.

#### **Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

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

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

- 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.

#### **Other information**

The Directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion 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 such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in 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 in this regard.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED (continued)

For the year ended 31 March 2019

#### Opinions on other matters prescribed by the Companies Act 2006

In our opinion, based on the work undertaken in the course of the audit:

- The information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- The directors' report have been prepared in accordance with applicable legal requirements.

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

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the director's report.

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

- 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.

#### Responsibilities of Directors

As explained more fully in the directors' responsibilities statement, the Directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the Directors determines 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.

#### Auditor's 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 auditor's 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 at the Financial Reporting Council's website at: <https://www.frc.org.uk/auditorsresponsibilities>. This description forms part of our auditor's report.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### INDEPENDENT AUDITOR'S REPORT TO MEMBERS OF HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED (continued) For the year ended 31 March 2019

#### The use of our report

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.

Signed:



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**Alexander Tapp**  
(Senior Statutory Auditor)

For and on behalf of:

BDO LLP, statutory auditor  
55 Baker Street  
London  
United Kingdom  
W1U 7EU

1 AUGUST 2019

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).



## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Statement of Comprehensive Income For the year ended 31 March 2019

		2019 £'000	2018 £'000
	<b>Note</b>		
<b>Turnover</b>	1	<b>418</b>	4,460
Cost of sales		<u>(71)</u>	<u>(4,288)</u>
<b>Gross profit</b>		<b>347</b>	172
Administrative expenses		<b>(266)</b>	(131)
<b>Operating profit</b>	2	<u><b>81</b></u>	<u>41</u>
Interest receivable and similar income	5	<b>1,002</b>	652
Interest payable and similar charges	6	<b>(1,055)</b>	(1,067)
<b>Profit/ (loss) on ordinary activities before taxation</b>		<u><b>28</b></u>	<u>(374)</u>
Tax on profit/ (loss) on ordinary activities	7	<b>(142)</b>	64
<b>Loss for the financial year</b>		<u><b>(114)</b></u>	<u>(310)</u>
<b>Total comprehensive loss for the year</b>		<u><b>(114)</b></u>	<u>(310)</u>

The results for the current and previous financial period derive from continuing operations.

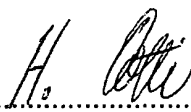
# HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

## Statement of Financial Position As at 31 March 2019

	Note	2019 £'000	2018 £'000
<b>Non-current assets</b>			
Financial asset	8	22,001	22,807
Trade and other receivables	9	36	178
		<u>22,037</u>	<u>22,985</u>
<b>Current assets</b>			
Trade and other receivables	9	5	2
Cash at bank and in hand	10	867	911
		<u>872</u>	<u>913</u>
<b>Current liabilities</b>			
Trade and other payables	11	(1,522)	(1,507)
<b>Net current liabilities</b>		<u>(650)</u>	<u>(596)</u>
<b>Total assets less current liabilities</b>		<b>21,387</b>	<b>22,389</b>
<b>Non-current liabilities</b>			
Trade and other payables	11	(22,369)	(23,257)
<b>Net liabilities</b>		<u>(982)</u>	<u>(868)</u>
<b>Capital and reserves</b>			
Issued share capital	14	-	-
Retained earnings		(982)	(868)
<b>Shareholders' deficit</b>		<u>(982)</u>	<u>(868)</u>

These accounts have been prepared in accordance with the provisions applicable to small companies entitled to the small companies' exemption.

The financial statements of Hub West Scotland Project Company (No.3) Limited, registered number SC497540, were approved by the Board of Directors and authorised for issue on **31<sup>st</sup> July 2019**. They were signed on its behalf by:

  
.....  
H Otti

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### Statement of Changes in Equity For the year ended 31 March 2019

	Issued share capital £'000	Retained earnings £'000	Total  £'000
<b>1 April 2018</b>	-	(868)	(868)
Loss for the year		(114)	(114)
<b>Total comprehensive loss for the year</b>	-	(114)	(114)
<b>31 March 2019</b>	-	(982)	(982)
<b>1 April 2017</b>	-	(558)	(558)
Loss for the year	-	(310)	(310)
<b>Total comprehensive loss for the year</b>	-	(310)	(310)
<b>31 March 2018</b>	-	(868)	(868)

# HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

## Statement of Cash Flows For the year ended 31 March 2019

		2019 £'000	2018 £'000
	Notes		
<b>Cash flows from operating activities</b>			
Loss for the financial period		(114)	(310)
Adjustments for:			
Mark-up on costs		(348)	(172)
Interest receivable and similar income	5	(1,002)	(652)
Interest payable and similar charges	6	1,055	1,067
Tax charge/ (credit)	7	142	(64)
Increase in other debtors		(2)	(2)
Decrease in trade and other creditors		(103)	(1,767)
<b>Net cash used in operating activities</b>		<b>(372)</b>	<b>(1,900)</b>
<b>Cash flows from investing activities</b>			
Receipts in relation to financial asset		2,150	1,598
Payments in relation to financial asset		(1)	(4,472)
Interest received		6	2
<b>Net cash generated from/ (used in) investing activities</b>		<b>2,155</b>	<b>(2,873)</b>
<b>Cash flows from financing activities</b>			
Proceeds from senior debt borrowings		-	4,617
Repayment of senior debt		(796)	(446)
Repayment of subordinated debt		(93)	-
Interest and similar charges paid		(938)	(819)
<b>Net cash (used in)/ generated from financing activities</b>		<b>(1,827)</b>	<b>3,352</b>
<b>Net decrease in cash &amp; cash equivalents</b>		<b>(44)</b>	<b>(1,420)</b>
Cash and cash equivalents at beginning of the year		911	2,331
<b>Cash and cash equivalents at end of the year</b>		<b>867</b>	<b>911</b>
<b>Cash and cash equivalents comprise:</b>			
Cash at bank and in hand		867	911
		<b>867</b>	<b>911</b>

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### **Principal Accounting Policies** **For the year ended 31 March 2019**

Hub West Scotland Project Company (No.3) Limited (the "Company") is incorporated in Scotland. The registered office is shown on page 1.

The principal accounting policies applied in the preparation of these financial statements are set out below.

#### **Basis of preparation**

The financial statements have been prepared in accordance with FRS 102 the Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland.

The functional currency is pounds sterling and rounded to the nearest £'000, unless otherwise stated.

#### **Going concern**

The directors have reviewed the future liquidity requirements and have considered the cash flow forecasts of the Company. The Company produces long-term financial forecasts which show the Company is able to operate and meet its financial obligations as they fall due, including compliance with all loan agreements. Based on this review and the future business prospects of the Company, the directors believe the Company will be able to meet its liabilities as they fall due.

Having regard to the above and after making enquiries, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the annual report and accounts.

#### **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 at the reporting date.

Deferred taxation is provided in full on timing differences that result in an obligation at the reporting date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items of income and expenditure in tax computations in periods different from those in which they are included in the financial statements.

Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### Principal Accounting Policies (continued) For the year ended 31 March 2019

#### Turnover

##### a. Public to private concession arrangements

A substantial portion of the Company's assets are used within the framework of concession contracts granted by a public sector customer (the 'grantor'). Under such contracts, the Company constructs a high school on behalf of East Renfrewshire Council and receives a unitary charge over a 25-year operating concession.

To fall within the scope of section 34 of FRS 102, a contract must satisfy the following two criteria:

- the grantor controls or regulates what services the operator must provide using the infrastructure, to whom, and at what price; and
- the grantor controls, through ownership, beneficial entitlement or otherwise, any significant residual interest in the infrastructure at the end of the term of the arrangement.

Pursuant to section 34 of FRS 102, such infrastructure is not recognised in assets of the operator as property, plant and equipment but as financial assets ('financial asset model').

##### b. Financial asset model

The financial asset model applies when the operator has an unconditional right to receive cash or another financial asset from the grantor.

In the case of concession services, the operator has such an unconditional right if the grantor contractually guarantees the payment of:

- Amounts specified or determined in the contract or
- The shortfall, if any, between amounts received from users of the public service and amounts specified or determined in the contract

Financial assets resulting from the application of section 34 of FRS 102 are recorded at the reporting date under the heading financial assets and measured at amortised cost.

Pursuant to section 23 of FRS 102, revenue associated with this financial model comprises of construction service remuneration, and, once operational, service remuneration which relates to lifecycle maintenance and facilities income and ad hoc property related services income.

#### Financial asset

The financial asset is stated at amortised cost using the effective interest method. The effective interest method is a method of calculating the amortised cost of a financial asset and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. Interest is recognised once the financial asset is brought into use.

#### Financial instruments

The Company classifies financial instruments, or their component parts, on initial recognition as a financial asset, a financial liability or an equity instrument in accordance the substance of the contractual arrangement.

Financial instruments are recognised on the trade date when the Company becomes a party to the contractual provisions of the instrument. Financial instruments are recognised initially at fair value plus, in the case of a financial instrument not at fair value through profit and loss, transaction costs that are directly attributable to the acquisition or issue of the financial instrument.

Financial instruments are derecognised on trade date when the Company is no longer a party to the contractual provisions of the instrument.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### **Principal Accounting Policies (continued)** **For the year ended 31 March 2019**

#### **Financial liabilities and equity**

Financial liabilities and equity are classified according to the substance of the financial instrument's contractual obligations, rather than the financial instrument's legal form.

#### **Finance costs**

Finance costs that are accrued during construction of the financial asset are expensed as they are incurred.

#### **Loan arrangement fees**

Senior debt issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument. The capitalised fees are then released to the profit or loss on a straight line basis over the term of the loan, once repayments have commenced.

#### **Accounting estimates and judgments**

The estimates and judgements that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the financial year are as follows:

##### **a. Key sources of estimation uncertainty**

**Construction Margin** – Under its contractual obligations, the Company provides services related to the construction of Barrhead High School. The remuneration for these services is recognised at cost plus a mark-up for profit on construction services. The construction margin rate used in the period to 31 March 2019 is 0.5% (2018: 0.5%) on construction costs. This is line with common industry practice and reflects the margins a similar Company may expect to earn on similar construction projects.

**Financial asset interest rate** – The financial asset interest income is based on the weighted average cost of debt of the project at financial close and is applied to the carrying value of the financial asset on a quarterly basis. The interest rate used in 2019 is 4.50% (2018: 4.50%) per annum.

**Service Margin** – After the property is constructed, the company provides property management services. The remuneration for these services is recognised at cost plus an estimated mark up for profit on property management services. The service margin rate used in 2019 is 30.37% (2018: 29.63%) per annum. It is the policy of the Directors that the service margin is reviewed annually on 1st April each year to generate a new service margin rate, which is to be applied in the proceeding financial year.

##### **b. Critical judgements**

**Concession arrangements** – The concession arrangements undertaken by the Company are considered to fall within the scope of section 34 of FRS 102 "Service Concession Arrangements", as described in the turnover note. This judgement has been based on a consideration of the nature and terms of the agreements.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

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### Notes to the Financial Statements For the year ended 31 March 2019

#### 1. Analysis of turnover

Turnover in the year is analysed as follows:

	2019 £'000	2018 £'000
Construction services	-	4,265
Cost recoveries	70	23
Construction margin	1	22
Service margin	347	150
	<u>418</u>	<u>4,460</u>

#### 2. Operating profit

The audit fee for the Company amounted to £2,771 (2018: £2,704), which is paid on its behalf, under a Management Services Agreement, by Community Solutions Partnership Services Limited.

#### 3. Directors' remuneration

The directors did not receive any remuneration from the Company for their services to the Company during the financial year (2018: £nil). The directors are remunerated by the shareholding companies for their services to the group as a whole. It is not practicable to apportion their remuneration for their services to this Company.

#### 4. Staff numbers

The Company had no employees during the current or prior financial year.

#### 5. Interest receivable and similar income

	2019 £'000	2018 £'000
Financial asset interest receivable	996	650
Bank interest receivable	6	2
	<u>1,002</u>	<u>652</u>

#### 6. Interest payable and similar charges

	2019 £'000	2018 £'000
Interest payable on senior debt borrowings	804	798
Interest payable on subordinated debt borrowings	233	239
Facility commitment fees	-	16
Other financing costs	18	14
	<u>1,055</u>	<u>1,067</u>



## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2019

#### 7. Tax on loss on ordinary activities

	2019 £'000	2018 £'000
<b>a) Analysis of tax on loss on ordinary activities</b>		
<b>Current tax</b>		
UK corporation tax payable at 19% (2018: 19%)	-	-
Total current tax	-	-
<b>Deferred tax (note 13)</b>		
Origination and reversal of timing differences		
- current year	142	(64)
Total deferred tax credit	142	(64)
Tax charge/ (credit) on profit/ (loss) on ordinary activities	142	(64)

The tax assessed for the year differs from the standard rate of corporation tax in the UK (19%) (2018: 19%). The differences are explained below:

	£'000	£'000
<b>b) Factors affecting the tax charge for the year</b>		
Profit/ (loss) on ordinary activities before tax	28	(374)
Profit/ (loss) on ordinary activities multiplied by the standard rate of corporation tax in the UK 19% (2018: 19%)	5	(71)
Effects of:		
Fixed asset differences	153	-
Adjust opening/ closing deferred tax rate	(16)	7
Total tax charge/ (credit) for the period	142	(64)

The reduction in the corporation tax rate to 17% from 1 April 2020 is not anticipated to materially affect the future tax charge.

#### 8. Financial asset

	2019 £'000	2018 £'000
Balance at 1 April	22,807	-
<b>Income recognised in the income statement</b>		
- construction margin	1	22
- service margin	347	150
- interest income	996	650
	1,344	822
<b>Other movements</b>		
- Transfer from work in progress	-	23,583
- cash received	(2,150)	(1,598)
	(2,150)	21,985
Balance at 31 March	22,001	22,807

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2019

#### 9. Trade and other receivables

	2019 £'000	2018 £'000
<b>Due within more than one year</b>		
Deferred tax (note 13)	36	178
	<u>36</u>	<u>178</u>
<b>Due within one year</b>		
Trade debtors	-	1
Other debtors	5	1
	<u>5</u>	<u>2</u>

#### 10. Cash at bank and in hand

Included in cash at bank and in hand is cash of £867,000 (2018: £911,000) which is restricted for use in pre-described circumstances by the lender.

#### 11. Trade and other payables

	2019 £'000	2018 £'000
<b>Amounts falling due within one year</b>		
Senior debt borrowings (note 12a)	807	789
Senior debt issue costs	(7)	-
Subordinated debt (note 12b)	132	136
Trade creditors	426	10
Accruals	136	478
VAT	28	94
	<u>1,522</u>	<u>1,507</u>
<b>Amounts falling due after more than one year</b>		
Senior debt borrowings (note 12a)	20,282	21,096
Senior debt issue costs	(150)	(164)
Subordinated debt (note 12b)	2,237	2,325
	<u>22,369</u>	<u>23,257</u>

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2019

#### 12. Loans

##### (a) Senior debt borrowings

The senior debt borrowings are repayable as follows:	2019 £'000	2018 £'000
Within one year	807	789
Between one and two years	803	807
Between two and five years	2,209	2,306
After more than five years	17,270	17,983
	<u>21,089</u>	<u>21,885</u>

Senior debt borrowings relate to a term loan facility provided by Aviva Public Private Finance Limited.

The term loan facility has an agreed monthly drawdown profile commencing on 21 March 2016 and ending on 31 August 2017.

The amounts drawn under the term loan facility are repayable on an agreed repayment profile commencing on 29 September 2017 and ending on 30 September 2041. Interest charges on amounts drawn are fixed for the term of the loan at 3.73%.

The term loan facility is secured by a fixed and floating charge on the assets of the Company. The security is held in favour of Aviva Public Private Finance Limited in the role of Security Trustee.

Issue costs of the senior debt have been offset against the senior debt borrowings and will be amortised over the repayment period of the facility.

##### (b) Subordinated debt borrowings

The subordinated debt borrowings are repayable as follows:	2019 £'000	2018 £'000
Within one year	132	136
Between one and two years	88	88
Between two and five years	81	150
After more than five years	2,068	2,087
	<u>2,369</u>	<u>2,461</u>

The subordinated debt loan notes carry a coupon of 9.75%, and are repayable in pre-determined semi-annual instalments commencing on 31 March 2018 and ending on 31 March 2042. During the year £nil (2018: £99,000) rolled up interest was added to the subordinated loan.

The subordinated debt is secured by a fixed and floating charge on the assets of the Company. The security is held in favour of Community Solutions Management Services (Hub) Limited in the role of Security Trustee.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2019

#### 13. Deferred tax

	2019 £'000	2018 £'000
<b>Deferred tax</b>		
Asset brought forward	178	114
(Charge)/ credit to profit and loss for the period	(142)	64
Asset carried forward	<u>36</u>	<u>178</u>

An analysis of the deferred taxation provided in the financial statements is as follows:

	2019 £'000	2018 £'000
Losses carried forward	<u>36</u>	<u>178</u>
	<u>36</u>	<u>178</u>

#### 14. Called up share capital

	2019 £	2018 £
<b>Allotted, called up and fully paid</b>		
10 ordinary share of £1 each	<u>10</u>	<u>10</u>

Aviva Public Private Finance Limited has a charge over the entire share capital of the Company.

#### 15. Financial instruments

The Company's financial instruments may be analysed as follows:

	2019 £'000	2018 £'000
<b>Financial assets</b>		
Financial assets measured at amortised cost	<u>22,873</u>	<u>23,719</u>
	<u>22,873</u>	<u>23,719</u>
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost	<u>23,705</u>	<u>24,670</u>
	<u>23,705</u>	<u>24,670</u>

Financial assets measured at amortised cost comprise cash at bank and in hand, other debtors, accrued income, inventory in the course of construction, and financial assets.

Financial liabilities measured at amortised cost comprise senior and subordinated debt borrowings, trade creditors, other creditors and accruals.

## HUB WEST SCOTLAND PROJECT COMPANY (NO.3) LIMITED

### Notes to the Financial Statements (continued) For the year ended 31 March 2019

#### 16. Ultimate parent company and controlling party

The Company is a wholly owned subsidiary of Hub West Scotland Holdco (No.3) Limited which is registered in Scotland and which is itself owned by the following entities registered in Scotland: Wellspring Partnership Limited (60%), HCF Investments Limited (20%), East Renfrewshire Council (10%) and Scottish Futures Trust Investments Limited (10%). Wellspring Partnership Limited is jointly owned by the following companies that are registered in England and Wales: Morgan Sindall Investments Limited, Apollo (Hub West) Limited and Community Solutions Management Services (Hub) Limited.

The directors are of the opinion that there is no ultimate parent undertaking or controlling party by virtue of the joint ownership and control.

#### 17. Related party transactions

The Company has taken advantage of the exemption provided in FRS102 not to disclose transactions with companies within the group of which it is a member, where these transactions occur between entities which are 100% owned members of that group.

In the ordinary course of business, the Company traded with the following companies who held a direct investment in the Company, unless indicated otherwise.

Company	Transaction amount during the year		Balance at 31 March	
	2019 £'000	2018 £'000	2019 £'000	2018 £'000
Wellspring Subdebt Limited *	192	169	1,490	1,561
HCF Investments Limited	74	65	571	598
Scottish Futures Trust Investments Limited	32	28	248	260
East Renfrewshire Council	22	20	174	182
Community Solutions Partnership Services Limited *	119	94	11	10
Hub West Scotland Limited *	1	5	-	-
Total	440	381	2,494	2,611

\* Indirect investments

#### 18. Subsequent events

There were no subsequent events that affected the financial statements of the Company.