AZETS

HUB NORTH SCOTLAND (ELGIN HIGH SCHOOL) LIMITED

ANNUAL REPORT AND FINANCIAL STATEMENTS

YEAR ENDED 30 JUNE 2022

COMPANY NUMBER: SC497946

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COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2022

Directors
Andrew Duck
Nial Gemmell
David MacDonald
Paul McGirk
Philip McVey
Kirsty O'Brien

Secretary
Galiford Try Secretariat Services Limited

Registered number
SC497946

Registered office
PO Box 17452
2 Lochside View
Edinburgh
EH12 1LB

Independent auditor
Azets Audit Services
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Solicitors
Harper MacLeod LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Bankers
Barclays Bank Plc
1 Churchill Place
Leicestershire
LE87 2BB

DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2022

The directors present their report and the audited financial statements of the company for the year ended 30 June 2022.

Principal activity

The principal activity of the company is the design, construction, financing and maintenance of Elgin High School.

Directors

The directors who served during the year and up to the date of signing these financial statements were:

Andrew Duck
Nial Gemmell
David MacDonald
Paul McGirk
Philip McVey
Kirsty O'Brien

Directors' Responsibilities Statement

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

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities). 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; 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. 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.

Disclosure of information to the auditor

Each of the persons who are directors at the time when this directors' report is approved has confirmed that:

- so far as the directors are aware, there is no relevant information of which the auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

Post balance sheet events

There are no significant events affecting the company since the year end.

Auditor

The auditor, Azets Audit Services will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Small companies' exemptions

In preparing this report the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

This report was approved by the board on 19th December 2022 and signed on its behalf by:

Philip McVey
Director

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (ELGIN HIGH SCHOOL) LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2022

Opinion

We have audited the financial statements of Hub North Scotland (Elgin High School) Limited (the 'company') for the year ended 30 June 2022, which comprise the Statement of Income and Retained Earnings, the Balance Sheet and the notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; 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

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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.

Opinion 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 has 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 directors' 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; 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 directors' report and from the requirement to prepare a strategic report.

Responsibilities of the directors

As explained more fully in the directors' responsibilities statement [set out on page 2], 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 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.

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 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 is available on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our auditor's report.

The extent to which the audit was considered capable of detecting irregularities including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the FRC's website, to detect material misstatements in respect of irregularities, including fraud.

Auditor's responsibilities for the audit of the financial statements (continued)

We obtain and update our understanding of the company, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the company is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the company that were contrary to applicable laws and regulations, including fraud.

Our approach to identifying and assessing the risks of material misstatement in respect of irregularities, including fraud and non-compliance with laws and regulations, was as follows:

- the engagement partner ensured that the engagement team collectively had the appropriate competence, capabilities and skills to identify or recognise non-compliance with applicable laws and regulations;
- we identified the laws and regulations applicable to the company through discussions with directors and other management, and from our commercial knowledge and experience of the construction sector;
- we focused on specific laws and regulations which we considered may have a direct material effect on the financial statements or the operations of the company, including the Companies Act 2006 and taxation, data protection, anti-bribery, environmental and health and safety legislation;
- we assessed the extent of compliance with the laws and regulations identified above through making enquiries of management and inspecting legal correspondence; and
- identified laws and regulations were communicated within the audit team regularly and the team remained alert to instances of non-compliance throughout the audit.

In response to the risk of irregularities and non-compliance with laws and regulations, we designed procedures which included, but were not limited to:

- agreeing financial statement disclosures to underlying supporting documentation;
- reading the minutes of meetings of those charged with governance;
- enquiring of management as to actual and potential litigation and claims; and
- reviewing correspondence with HMRC and the company's legal advisors.

We assessed the susceptibility of the company's financial statements to material misstatement, including obtaining an understanding of how fraud might occur, by:

- making enquiries of management as to where they considered there was susceptibility to fraud, their knowledge of actual, suspected and alleged fraud; and
- considering the internal controls in place to mitigate risks of fraud and non-compliance with laws and regulations.

To address the risk of fraud through management bias and override of controls, we:

- performed analytical procedures to identify any unusual or unexpected relationships;
- tested journal entries to identify unusual transactions;
- assessed whether judgements and assumptions made in determining the accounting estimates were indicative of potential bias; and
- investigated the rationale behind significant or unusual transactions.

Auditor's responsibilities for the audit of the financial statements (continued)

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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, as a body, 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.

Azets Audit Services

James McBride CA (Senior Statutory Auditor)
for and on behalf of
Azets Audit Services, Statutory Auditor
Chartered Accountants
Titanium 1
King's Inch Place
Renfrew
PA4 8WF

Date 19 December 2022

HUB NORTH SCOTLAND (ELGIN HIGH SCHOOL) LIMITED

STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2022

	Note	2022 £	*2021* *£*
Turnover	4	**467,268**	*359,926*
Cost of sales		**(398,419)**	*(303,883)*
Gross profit		**68,849**	*56,043*
Administrative expenses		**(13,177)**	*(1,874)*
Operating profit		**55,672**	*54,169*
Interest receivable and similar income	6	**1,142,787**	*1,171,760*
Interest payable and similar charges	7	**(1,173,511)**	*(1,213,482)*
Profit before tax		**24,948**	*12,447*
Taxation	8	**(5,865)**	*36*
Profit after tax		**19,083**	*12,483*
Profit for the year		**19,083**	*12,483*
Retained earnings at the beginning of the year		**32,990**	*20,507*
Dividends		**(48,661)**	-
Retained earnings at the end of the year		**3,412**	*32,990*

There were no recognised gains and losses for 2022 or 2021 other than those included in the Statement of Income and Retained Earnings.

The notes form part of these financial statements.

BALANCE SHEET
AS AT 30 JUNE 2022

	Note	£	2022 £	£	2021 £
Non-current assets					
Financial asset due after more than 1 year	9		24,005,538		*25,075,598*
Current assets					
Financial asset due within 1 year	9	1,093,779		*1,021,598*	
Debtors	10	9,237		*11,468*	
Cash at bank and in hand	11	435,514		*453,285*	
		1,538,530		*1,486,351*	
Creditors: amounts falling due within one year	12	(1,073,308)		*(1,170,323)*	
Net current assets			465,222		*316,028*
Total assets less current liabilities			24,470,760		*25,391,626*
Creditors: amounts falling due after more than one year	13		(24,436,769)		*(25,357,636)*
Provisions for Liabilities	14		(29,579)		-
Net assets			4,412		*33,990*
Capital and reserves					
Called up share capital			1,000		*1,000*
Profit and loss account			3,412		*32,990*
			4,412		*33,990*

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A – Small Entities within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 19th December 2022 by:

Philip McVey
Director

Company number: SC497946

The notes form part of these financial statements.

1. General information

The company is a private company limited by shares and is incorporated in Scotland, UK. The company's registered office and company number are disclosed on the company information page of these financial statements. The company's principal activity is as described in the directors' report.

The functional currency used to prepare the financial statements is GBP and they are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of presentation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 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.

The company has entered into long-term contracts with both the client and suppliers, and after careful review of these contracts the directors are confident that the company can operate as normal for the next twelve months.

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.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

2. *Accounting policies (continued)*

2.3 Revenue (continued)

Rendering of services
Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred to complete the contract can be measured reliably.

2.4 Interest receivable

Interest receivable is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expenditure recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the UK where the company operates and generates income.

2. Accounting policies (continued)

2.7 Financial asset

Construction and related costs of Elgin High School, excluding interest costs and other costs of funding, are being treated as a financial asset under the terms of FRS 102. The financial asset will be repaid over the life of the contract as service income is received from Moray Council.

Upon becoming operational, the income derived from the DBFM contract is allocated between the provision of the asset and the provision of the subsequent services. Upon acceptance of the constructed asset by Moray Council, the financial asset is amortised over the life of the contract against the relevant portion of the contracted income. The proportion of the financial asset to be amortised against contracted income receivable within one year is classified as a current asset and the remainder non-current.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

2.8 Debtors

Short term debtors are measured at transaction price, less any impairment. Loans receivable are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method, less any impairment.

2.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans and amounts due to related parties are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

2. Accounting policies (continued)

2.11 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at the present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade payables or receivables, are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration, expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an out-right short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an 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.

2.12 Provision for liabilities

Provisions are made where an event has taken place that gives the company a legal or constructive obligation that probably requires settlement by a transfer of economic benefit, and a reliable estimate can be made of the amount of the obligation.

Provisions are charged as an expense to profit or loss in the year that the company becomes aware of the obligation, and are measured at the best estimate at the Balance Sheet date of the expenditure required to settle the obligation, taking into account relevant risks and uncertainties.

When payments are eventually made, they are charged to the provision carried in the Balance Sheet.

3. *Judgements in applying accounting policies and key sources of estimation uncertainty*

There are underlying assumptions included within the financial model in respect of the profit margin applied to the maintenance services provided during the operational phase. These assumptions are used to estimate operational revenue with the revenue recognised being the costs incurred plus a reasonable market margin.

Interest receivable is also recognised based on a discount rate which causes the aggregate present value of all sums receivable to be equal to the fair value of the services to be provided over the service concession term. This discount rate is updated on a quarterly basis within the financial model.

The financial asset is a long term asset. The amount allocated to current assets is the expected net movement in the following year.

4. Turnover

All turnover arose within the United Kingdom.

	2022	*2021*
	£	*£*
Turnover		
Passthrough income (less deductions)	**54,120**	*23,667*
Service income	**413,148**	*336,259*
	467,268	*359,926*

5. Employees

The company has no employees *(2021 – none)*. The directors did not receive any remuneration *(2021 - £nil).*

6. Interest receivable and similar income

	2022	*2021*
	£	*£*
Interest receivable on the financial asset	**1,142,717**	*1,171,760*
Bank interest	**70**	-
	1,142,787	*1,171,760*

		2022	2021
7.	**Interest payable and similar charges**	**£**	*£*
	Interest on senior debt loan	**913,534**	*950,451*
	Interest on subordinated debt loans from related parties	**259,977**	*263,031*
		1,173,511	*1,213,482*

		2022	2021
8.	**Taxation**	**£**	*£*
	Corporation tax		
	Current tax for the year	**5,865**	**(36)**
	Total current tax charge/(credit) on ordinary activities	**5,865**	**(36)**

Factors affecting the tax charge/(credit) for the year:

The tax credit assessed for the year is higher than (*2021: lower than*) the standard rate of corporation tax in the UK of 19% (*2021 - 19 %).* The differences are explained below:

	2022	2021
	£	*£*
Profit on ordinary activities before tax	**24,948**	*12,447*
Profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% *(2021 - 19%)*	**4,740**	*2,365*
Effects of:		
Losses utilised	**-**	*(2,365)*
Adjustment in respect of prior years	**1,125**	*(36)*
Total tax charge/(credit) for the year	**5,865**	*(36)*

Reconciliation of corporation tax liability

	2022	2021
Opening balance	**-**	*(4,944)*
Payment on account in the year	**-**	*4,980*
Interest on overdue liability	**10**	-
Tax charge/(credit) for the year	**5,865**	*(36)*
Closing balance	**5,875**	**-**

Factors that may affect future tax charge

The Chancellor announced in the Budget on 3 March 2022 that there would be an increase in the top rate of corporation tax to 25% for companies generating taxable profits of more than £250,000. A corporation tax rate of 19% will apply to companies generating taxable profits of less than £50,000. A marginal rate will be applied for profits between these taxable profit bandings. On 14 October 2022, the UK Government confirmed that this measure is to be applied as proposed. This change becomes effective in respect of taxable profits arising after 31 March 2023.

		2022	2021
9.	**Financial Asset**	**£**	*£*
	Opening balance 1 July 2021	**26,097,196**	*27,125,930*
	Net interest receivable	**1,142,717**	*1,171,760*
	Unitary charge income	**(2,553,744)**	*(2,536,753)*
	Operational revenue recognised	**413,148**	*336,259*
	Closing balance 30 June 2022	**25,099,317**	*26,097,196*
	Financial asset due within one year	**1,093,779**	*1,021,598*
	Financial asset due after more than one year	**24,005,538**	*25,075,598*
		25,099,317	*26,097,196*

		2022	2021
10.	**Debtors**	**£**	*£*
	Trade Debtors	**-**	*1,800*
	Prepayments and accrued income	**9,237**	*9,668*
		9,237	*11,468*

		2022	2021
11.	***Cash and cash equivalents***	**£**	*£*
	Cash at bank and in hand	**435,514**	*453,285*
		435,514	*453,285*

		2022	2021
12.	**Creditors: Amounts falling due within one year**	**£**	*£*
	Senior debt loan	**907,800**	*928,246*
	Amounts owed to related parties - subordinated debt loans	**13,059**	*25,532*
	Amounts owed to related parties - accrued interest	**-**	*65,526*
	Trade creditors	**20,425**	*17,988*
	Other creditors	**-**	*3,205*
	Accruals and deferred income	**12,473**	*15,747*
	Corporation Tax	**5,875**	*-*
	VAT creditor	**113,676**	*114,079*
		1,073,308	*1,170,323*

13. Creditors: Amounts falling due after more than one year

	2022 £	*2021* *£*
Senior debt loan	**21,905,711**	*22,813,511*
Amounts owed to related parties - subordinated debt loans	**2,531,058**	*2,544,125*
	24,436,769	*25,357,636*

Secured creditors

The senior debt loan represents a loan from Aviva Public Private Finance Limited which is secured by way of a fixed and floating charge over the assets of the company. The total loan facility is for £26,826,193.

The subordinated loan represents loans from entities that are shareholders of the immediate parent Hub North Scotland (Elgin High School) Holdings Limited. The loans are repayable in half yearly instalments commencing in March 2019 with the final repayment due in March 2043. The loans are unsecured and bear interest at a rate of 10.2%.

Creditors due after 5 years

Creditors include amounts repayable by installment that are not wholly repayable within 5 years of £20,468,694 (*2021: £21,317,543*).

14. Provision for Liabilities

	2022 £	*2021* *£*
At 1 July 2021	-	-
Additions	**29,579**	-
Utilised in year	-	-
	29,579	-

Lifecycle underspend provision

As part of the project documents, the company has an obligation to fund lifecycle works. The liability is created on an annual basis by applying indexation to the contract values less any works claimed to date. The liability is discharged when the works are completed or at the Expiry Date, whichever is earlier or at such other times as permitted under the contract.

15. Related party transactions

During the year, the company entered into the following transactions with related parties:

	Purchases 2022 £	*Purchases 2021 £*	**Amounts outstanding 2022 £**	*Amounts outstanding 2021 £*
ACP: North Hub Limited (1)	**18,365**	*101,511*	-	-
Currie & Brown UK Limited (2)	**5,886**	*2,216*	-	**2,216**
Hub North Scotland Limited (4)	**85,849**	-	-	-
GTI Consultancy Services Limited (2)	**19,800**	-	-	-
	129,900	*103,727*	-	**2,216**

Amounts outstanding include creditors and amounts accrued at the year end.

Subordinated Debt	**Interest charge 2022 £**	*Interest charge 2021 £*	**Subordinated debt 2022 £**	*Subordinated debt 2021 £*
Scottish Futures Trust Investments Limited (1)	**25,998**	*26,304*	**254,412**	*256,966*
GCP Education 1 Limited (3)	**77,993**	*78,909*	**763,235**	*770,897*
HCF Investments Limited (1)	**77,993**	*78,909*	**763,235**	*770,897*
Currie & Brown Equitix Limited (3)	**77,993**	*78,909*	**763,235**	*770,897*
	259,977	*263,031*	**2,544,117**	*2,569,657*

	Accrued Interest 2022 £	*Accrued Interest 2021 £*
Scottish Futures Trust Investments Limited (1)	-	*6,552*
GCP Education 1 Limited (3)	-	*19,658*
HCF Investments Limited (1)	-	*19,658*
Currie & Brown Equitix Limited (3)	-	*19,658*
	-	*65,526*

15. Related party transactions (continued)

1. A shareholder in the immediate parent company Hub North Scotland (Elgin High School) Holdings Limited.
2. An entity in the same corporate group as Currie & Brown (Investments) Limited, a shareholder in Currie & Brown Equitix Limited (3).
3. A shareholder in ACP: North Hub Limited (1).
4. 60% owned by ACP: North Hub Limited (1).

The company paid a dividend of £48,661 (*2021 - £nil*) to its parent, Hub North Scotland (Elgin High School) Holdings Limited in the year.

16. Controlling party

The immediate parent company is Hub North Scotland (Elgin High School) Holdings Limited. ACP: North Hub Limited is the majority shareholder of Hub North Scotland (Elgin High School) Holdings Limited but, in the opinion of the directors, is not considered to be the controlling party. The directors consider there to be no ultimate controlling party.