



**HUB NORTH SCOTLAND (O&C) LIMITED**  
**REPORT AND FINANCIAL STATEMENTS**  
**YEAR ENDED 30 JUNE 2020**  
**COMPANY NUMBER: SC513475**



## **HUB NORTH SCOTLAND (O&C) LIMITED**

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## **HUB NORTH SCOTLAND (O&C) LIMITED**

### **COMPANY INFORMATION FOR THE YEAR ENDED 30 JUNE 2020**

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#### **Directors**

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

#### **Registered number**

SC513475

#### **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**

Clydesdale Bank PLC  
154 – 158 Kensington High Street  
London  
W8 7RL

## **HUB NORTH SCOTLAND (O&C) LIMITED**

### **DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2020**

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The directors present their report and the audited financial statements of the company for the year ended 30 June 2020.

#### **Principal activity**

The principal activity of the company is the design, construction, financing and maintenance of Campbelltown Grammar School and Oban 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 to 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

## **HUB NORTH SCOTLAND (O&C) LIMITED**

### **DIRECTORS' REPORT (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

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#### **Post balance sheet events**

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

#### **Auditor**

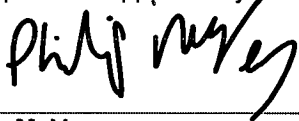
On 7 September 2020, Group Audit Services Limited trading as Scott Moncrieff Audit Services changed its name to Azets Audit Services Limited. The name they practice under is Azets Audit Services and accordingly they have signed their report in their new name.

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 15<sup>th</sup> December 2020 and signed on its behalf by:



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**Philip McVey**  
Director

## **HUB NORTH SCOTLAND (O&C) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (O&C) LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020**

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#### **Opinion**

We have audited the financial statements of Hub North Scotland (O&C) Limited (the 'company') for the year ended 30 June 2020, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, and the notes to the financial statements, including a summary of 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 2020 and of the company's loss 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 United Kingdom, including the Financial Reporting Council'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 audit 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 NORTH SCOTLAND (O&C) LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (O&C) LIMITED ON THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020**

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#### **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, 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 for the audit of the financial statements is located on the Financial Reporting Council's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). The description forms part of our Auditor's Report.

**HUB NORTH SCOTLAND (O&C) LIMITED**

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (O&C)  
LIMITED ON THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

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**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 (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: 16 December 2020



**HUB NORTH SCOTLAND (O&C) LIMITED****STATEMENT OF INCOME AND RETAINED EARNINGS  
FOR THE YEAR ENDED 30 JUNE 2020**

		2020 £	2019 £
	Note		
Turnover	4	1,031,299	4,315,767
Cost of sales		(931,389)	(4,142,251)
Gross profit		99,910	173,516
Administrative expenses		(15,219)	(13,624)
Operating profit		84,691	159,892
Interest receivable and similar income	6	2,519,109	2,543,654
Interest payable and similar charges	7	(2,636,379)	(2,671,753)
(Loss)/profit before tax		(32,579)	31,793
Taxation	8	4,584	(4,584)
(Loss)/profit after tax		(27,995)	27,209
(Loss)/profit for the year		(27,995)	27,209
Retained earnings at the beginning of the year		19,543	(7,666)
Retained earnings at the end of the year		(8,452)	19,543

There were no recognised gains and losses for 2020 or 2019 other than those included in the Statement of Income and Retained Earnings.

The notes form part of these financial statements.

**HUB NORTH SCOTLAND (O&C) LIMITED**

**BALANCE SHEET  
AS AT 30 JUNE 2020**

	Note	£	2020 £	£	2019 £
<b>Non-current assets</b>					
Financial asset due after more than 1 year	9		53,667,085		55,650,119
<b>Current assets</b>					
Financial asset due within 1 year	9	1,925,205		1,858,733	
Debtors	10	1,275,853		442,258	
Cash at bank and in hand	11	1,061,530		2,084,875	
			4,262,588	4,385,866	
Creditors: amounts falling due within one year	12	(3,810,585)		(3,938,803)	
<b>Net current assets</b>			452,003		447,063
<b>Total assets less current liabilities</b>			54,119,088		56,097,182
Creditors: amounts falling due after more than one year	13		(54,126,540)		(56,076,639)
<b>Net (liabilities)/assets</b>			(7,452)		20,543
<b>Capital and reserves</b>					
Called up share capital			1,000		1,000
Profit and loss account			(8,452)		19,543
			(7,452)		20,543

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 15<sup>th</sup> December 2020 by:



**Philip McVey**  
Director

**Company number: SC513475**

The notes form part of these financial statements.

## HUB NORTH SCOTLAND (O&C) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2020

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#### 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

Financial performance continues to be in line with the financial model showing that the project remains profitable over the remainder of the 25 year service concession period and that adequate cashflow will be available to the company to meet its liabilities including senior and subordinated debts as they fall due.

In the annual review of the company's going concern, the directors have also considered the potential long term impact of the Covid-19 pandemic. 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. The directors have committed to carrying out regular reviews of the company's cash flows to monitor the ongoing situation.

The directors therefore apply the going concern assumption in the preparation of these financial statements.

##### 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.

##### 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;

**2. Accounting policies (continued)**

- 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.

**2.7 Financial asset**

Construction and related costs of Campbeltown Grammar School and Oban 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 Argyll & Bute 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 Argyll & Bute 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. Accounting policies (continued)**

**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.

**2.11 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.

## HUB NORTH SCOTLAND (O&C) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

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

In preparing the financial statements, the directors have made a judgement as to the value of profit relating to the construction stage of the project and to the value of interest receivable on the financial asset recognised in the accounting for the service concession arrangement. Factors taken into account in reaching such decisions include the overall expected profit of the contract, the stage of completion of the contract and the relative budgeted revenue and costs associated with each contract component at the outset of the project.

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.

	2020 £	2019 £
<b>Turnover</b>		
Construction income	-	3,360,466
Passthrough income (less deductions)	431,849	(25,316)
Service income	599,450	980,617
	<u>1,031,299</u>	<u>4,315,767</u>

#### 5. Employees

The company has no employees (2019 – none). The directors did not receive any remuneration (2019 - £nil).

	2020 £	2019 £
<b>6. Interest receivable and similar income</b>		
Interest receivable on the financial asset	2,515,788	2,541,556
Bank interest	3,321	2,098
	<u>2,519,109</u>	<u>2,543,654</u>

**HUB NORTH SCOTLAND (O&C) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)  
FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
<b>7. Interest payable and similar charges</b>		
Interest on senior debt loan	2,066,294	2,041,243
Interest on subordinated debt loans from related parties	570,085	630,510
	<u>2,636,379</u>	<u>2,671,753</u>

	2020 £	2019 £
<b>8. Taxation</b>		
<b>Corporation tax</b>		
Current tax for the year	-	4,584
Adjustments in respect of prior periods	(4,584)	-
<b>Total current tax charge on ordinary activities</b>	<u>(4,584)</u>	<u>4,584</u>

**Factors affecting the tax charge for the year:**

The tax assessed for the year is lower than (2019: *lower than*) the standard rate of corporation tax in the UK of 19% (2019 - 19%). The differences are explained below:

	2020 £	2019 £
<b>(Loss)/profit on ordinary activities before tax</b>	<u>(32,579)</u>	<u>31,793</u>
 (Loss)/profit on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2019 - 19%)	 (6,190)	 6,041
<b>Effects of:</b>		
Losses carried back	4,584	-
Adjustments to tax charge in respect of prior periods	(4,584)	-
Unrelieved tax losses carried forward/(utilised)	1,606	(1,457)
<b>Total tax charge for the year</b>	<u>(4,584)</u>	<u>4,584</u>

**Reconciliation of corporation tax liability**

Opening balance	4,584	-
Payment on account in the year	(4,584)	-
Tax (credit)/charge for the year	(4,584)	4,584
<b>Closing balance</b>	<u>(4,584)</u>	<u>4,584</u>

**Factors that may affect future tax charge**

There are no such factors.

**HUB NORTH SCOTLAND (O&C) LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)**  
**FOR THE YEAR ENDED 30 JUNE 2020**

	2020 £	2019 £
<b>9. Financial Asset</b>		
Opening balance 1 July 2019	57,508,852	55,426,776
Net interest receivable	2,515,788	2,541,556
Construction costs less capital contributions	-	3,360,466
Unitary charge income	(5,031,800)	(4,800,563)
Operational revenue recognised	599,450	980,617
<b>Closing balance 30 June 2020</b>	<b>55,592,290</b>	<b>57,508,852</b>
Financial asset due within one year	1,925,205	1,858,733
Financial asset due after more than one year	53,667,085	55,650,119
	<b>55,592,290</b>	<b>57,508,852</b>
<b>10. Debtors</b>	2020 £	2019 £
Trade debtors	1,009,180	245,546
Other debtors	259,636	185,780
Prepayments and accrued income	2,453	10,932
Corporation tax	4,584	-
	<b>1,275,853</b>	<b>442,258</b>
<b>11. Cash and cash equivalents</b>	2020 £	2019 £
Cash at bank and in hand	1,061,530	2,084,875
	<b>1,061,530</b>	<b>2,084,875</b>
<b>12. Creditors: Amounts falling due within one year</b>	2020 £	2019 £
Senior debt loan	1,888,969	1,701,833
Amounts owed to related parties - subordinated debt loans	143,557	1,407,304
Amounts owed to related parties - accrued interest	133,550	169,436
Corporation tax	-	4,584
Trade creditors	1,319,278	357,157
Accruals and deferred income	196,551	161,994
VAT creditor	128,680	136,495
	<b>3,810,585</b>	<b>3,938,803</b>



# HUB NORTH SCOTLAND (O&C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

	2020 £	2019 £
<b>13. Creditors: Amounts falling due after more than one year</b>		
Senior debt loan	48,947,842	50,839,384
Amounts owed to related parties - subordinated debt loans	5,178,698	5,237,255
	<u>54,126,540</u>	<u>56,076,639</u>

### 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 £54,282,166.

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

	2020 £	2019 £
<b>Creditors falling due after more than one year</b>		
1 – 2 years	1,970,319	1,944,952
2 – 5 years	5,791,902	5,814,116
Greater than 5 years	46,364,319	48,317,571
	<u>54,126,540</u>	<u>56,076,639</u>

# HUB NORTH SCOTLAND (O&C) LIMITED

## NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

### 14. Related party transactions

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

	<b>Purchases 2020 £</b>	<i>Purchases 2019 £</i>	<b>Amounts outstanding 2020 £</b>	<i>Amounts outstanding 2019 £</i>
ACP: North Hub Limited (1)	126,737	125,076	-	2,772
Hub North Scotland Limited (2)	-	38,824	-	-
Galliford Try Investments Limited (3)	-	3,765	-	-
Currie & Brown UK Limited (4)	-	61,269	3,861	5,202
Equitix Fund IV LP (5)	-	3,765	-	-
Galliford Try Building T/A Morrison Construction (3)	509,167	3,130,692	616,504	23,603
	<u>634,322</u>	<u>3,363,391</u>	<u>620,365</u>	<u>31,577</u>

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

	<b>Invoiced 2020 £</b>	<i>Invoiced 2019 £</i>	<b>Debtor 2020 £</b>	<i>Debtor 2019 £</i>
Argyll and Bute Council (1)	5,559,955	4,548,268	1,011,633	256,478

	<b>Interest charge 2020 £</b>	<i>Interest charge 2019 £</i>	<b>Subordinated debt 2020 £</b>	<i>Subordinated debt 2019 £</i>
<b>Subordinated Debt</b>				
Scottish Futures Trust Investments Limited (1)	57,008	64,900	532,225	664,456
Argyll and Bute Council (1)	57,008	64,900	532,225	664,456
HCF Investments Limited (1)	114,017	129,800	1,064,451	1,328,911
Galliford Try (North Hub) Investments Limited (6)	171,026	185,455	1,596,677	1,993,368
Currie & Brown Equitix Limited (6)	171,026	185,455	1,596,677	1,993,368
	<u>570,085</u>	<u>630,510</u>	<u>5,322,255</u>	<u>6,644,559</u>

## HUB NORTH SCOTLAND (O&C) LIMITED

### NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2020

#### 14. Related party transactions (continued)

	<b>Accrued Interest 2020 £</b>	<b>Accrued Interest 2019 £</b>
Scottish Futures Trust Investments Limited (1)	13,355	16,944
Argyll and Bute Council (1)	13,355	16,944
HCF Investments Limited (1)	26,710	33,886
Galliford Try (North Hub) Investments Limited (6)	40,065	50,831
Currie & Brown Equitix Limited (6)	40,065	50,831
	<b>133,550</b>	<b>169,436</b>

1. A shareholder in the immediate parent company Hub North Scotland (O&C) Holdings Limited.
2. 60% owned by ACP: North Hub Limited (1).
3. Part of the same corporate group as Galliford Try (North Hub) Investments Limited, which is a shareholder in ACP: North Hub Limited (1).
4. An entity in the same corporate group as Currie & Brown (Investments) Limited, a shareholder in Currie & Brown Equitix Limited (6).
5. An entity in the same corporate group as Equitix N Hubco Limited, a shareholder in ACP: North Hub Limited (1).
6. A shareholder in ACP: North Hub Limited (1).

#### 15. Controlling party

The immediate parent company is Hub North Scotland (O&C) Holdings Limited. ACP: North Hub Limited is the majority shareholder of Hub North Scotland (O&C) 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.