

**Amber Blue East Central Limited**

Annual report and financial statements

Registered number SC404406

31 March 2020

COMPANIES HOUSE

**28 JAN 2021**

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## **Directors and advisors**

### **Directors**

N McCormick  
D Fletcher  
AC Cook

### **Registered Office**

Robertson House  
Castle Business Park  
Stirling  
FK9 4TZ

### **Company Secretary**

Robertson Capital Projects Ltd

### **Registered Auditor**

Johnston Carmichael LLP  
7-11 Melville Street  
Edinburgh  
EH3 7PE

### **Solicitors**

CMS Cameron McKenna LLP  
Saltire Court  
Edinburgh  
EH1 2EN

### **Bankers**

Santander UK plc  
1<sup>st</sup> Floor  
287-301 St Vincent Street  
Glasgow  
G2 5HN

## Strategic Report

### Business Review

The Company, which is the private sector partner in a joint venture between public and private sector organisations, was formed as a joint venture between Amber Investment Holdings Limited, Robertson Capital Projects Limited and Forth PPP Limited.

On 10 February 2012, the Company's subsidiary Hub East Central Scotland Limited ("HECS") entered into a Territory Partnering Agreement with fourteen public sector organisations ("the Participants") across East Central Scotland to develop a wide range of infrastructure projects in sectors including health centres, wellbeing centres, library services, education, children services, residential and social care, social housing, special needs and other community based services. Due to a reorganisation of the emergency service organisations the number of participants has been reduced to thirteen.

The Company entered into a Management Services Agreement (MSA) with HECS on 10 February 2012. Under the Management Services Agreement, the Company is the private sector delivery partner providing project development services in the delivery of projects identified within the Territory Delivery Plan. The Company also provides secondment of staff, office accommodation, back office support and company secretarial services to HECS. The MSA renewal was extended in June 2019 to February 2024.

### Future Outlook

Through the delivery of strategic support by Hub East Central Scotland Ltd a significant number of future opportunities have been identified to support the growth of the Group.

### Financial position and liquidity

The financial position of the Group and Company are presented in the Group and Company Statement of Financial Position. The total Group shareholders' funds at 31<sup>st</sup> March 2020 are £4,159,207 (2019 £3,897,849). The Group and Company had net current liabilities of £396 (2019 net liabilities of £396) and with a cash balance of £1,789 (2019 £1,789).

### Principal risks and Uncertainties

- Continuity of the Management Services Agreement with HECS is the principal risk to the Company. This risk is mitigated through a 5-year contract which is reviewed and renewed within the 5-year period.
- The principal risks and uncertainties for the Group are as follows: -
  - Delays or reduction of projects reaching financial close resulting in HECS income being deferred. Regular programme reviews and regular cash flow forecasting are performed to monitor and manage these risks.
  - Covid-19 has impacted the development of projects during the lockdown period although the impact has been reduced as development has continued remotely in so far as possible. As a result of this and Participant affordability issues arising from Covid-19 impacting on Participant's budgets, a full review of the project pipeline has been undertaken and the budget of Hub East Central Scotland Limited, the ongoing development company within the Group, has been revised accordingly. Whilst there remains some uncertainty around timing of projects, it is expected that Central Government will invest in infrastructure as a mechanism to try to reduce the longer term impact of Covid-19 on the economy.
  - HECS reputation and quality of delivered projects and defects. Agreed form contracts are put in place and delivery is monitored to ensure protection from any quality issues. Project issues are reviewed and managed at Board level and the supply chain is reviewed when required.
  - Continuing reduction in public sector client budgets, both revenue and capital, resulting in reduction in future projects pipeline for HECS. This is mitigated by ensuring best value for money and close contact with clients regarding future projects and strategic plans.
  - Availability of resource within the HECS supply chain in relation to location/geography and the fluctuating demands around the pipeline and project timing. Supply chain reviews are undertaken by the Company to seek assurance as to the supply chain's commitment to an agreed and potential territory project pipeline.

## Strategic Report (continued)

### Principal risks and Uncertainties (continued)

- Changing market conditions and ability of the HECS supply chain to provide prices that meet the contractual benchmarks. HECS remains conscious of the buoyant construction market. Having carried out a supply chain refresh, adding three new local contractors, HECS is satisfied that this risk is being managed. HECS has eight Tier 1 Building contractors and continues to actively engage in dialogue with them to ensure that it can continue to provide clients with best value.
- Variable economic and market conditions. The level of income is relatively stable as most revenue is due under long term contracts from the respective clients subject to satisfactory performance and most operating costs are fixed through agreed contracts with suppliers.
- The exposure of the Design Build Finance and Maintain Companies ("DBFMs") to interest rate risk is limited as senior debt and subordinated loan note interest was fixed at financial close.
- The DBFMs have entered into loan agreements at financial close which state key financial performance covenants must be met to pay subordinated debt repayments. This risk is mitigated by regular operational reporting at Board level.
- The DBFMs are exposed to meeting their liabilities as they fall due throughout the life of the projects. The Companies use financial models generated at financial close which calculate quantum of financing required to cover construction period costs and the unitary charge figures payable by the Public Sector Participants which covers financing and operational costs during operations.
- The DBFMs have entered long term contracts with its customers which are public sector Boards, therefore credit risk is deemed to be low.
- The revenue and costs of the DBFMs are partly linked to inflation resulting in the projects being sensitive to inflation. The exposure to inflationary fluctuations is monitored by the Board. This is deemed to be low risk due to review procedures undertaken by HECS.
- The Scottish Government decided that for the foreseeable future no further DBFM contracts will be delivered under the Hub programme. Therefore, it will be imperative for the business to focus on supporting participants in the delivery of their capital plans.

Overall, the Group and Company's business risks and project risks are being managed. Risk Registers are in place which are continually reviewed and reported to the Board on a regular basis.

### Key Performance Indicators

The Company's financial performance is recognised by the value of the management service fees being generated from HECS.

The Group's financial performance is measured by

- the value of development margin generated within HECS at the contract close of projects and subsequent management fees due. These are monitored against the overhead running costs to ensure continued profitability with the strategy being to cover all such costs.
- monitoring DBFMs compliance with loan covenants and actual performance against the financial close model with significant variances investigated. At 31st March 2018 all loan covenants were being met and actual results were in line with modelled expectations.

## Strategic Report (continued)

### Principal risks and Uncertainties (continued)

KPI's are used within HECS to provide information on project performance, so that any shortfalls can be promptly identified and addressed. These are focused around Health and Safety programme (reportable RIDDOR accidents and HSE enforcements), community benefits (targeted employment and skills training outcomes), value for money and quality (customer satisfaction surveys). It is the intention of the Group to continually improve the reporting and use of such KPI's.

The KPI's are being met in the current year.

  
On behalf of the Board

N McCormick  
Director

19m October 2020

## Directors' report

The directors present their report and the financial statements for the year to 31 March 2020.

### Principal activities

Amber Blue East Central Limited (Amber Blue) was formed to be the East Central Territory hub private sector development partner (PSDP) within Hub East Central Scotland Limited, a public/private partnership set up to deliver public sector infrastructure projects across East Central Scotland, using both revenue and capital funding solutions. The company holds a 60% investment in Hub East Central Scotland Limited. Amber Blue's shareholders are Robertson Capital Projects hub Investments Limited, Amber Investment Holdings Limited and Forth PPP Limited. Collectively, Amber Blue have extensive experience of delivering public sector accommodation programmes throughout the UK forming long term public private partnerships. During the year, the Company has delivered strategic support, back office services, secondment of staff and project management services across the growing project pipeline.

### Business review

The Company's operations are managed under the supervision of its directors. Operational and financial key performance indicators (KPI's) are used to monitor performance. These are focused around Health and Safety programme (reportable RIDDOR accidents and HSE enforcements), community benefits (targeted employment and skills training outcomes), value for money and quality (customer satisfaction surveys) to monitor its business performance against agreed targets. It also regularly monitors and forecasts its cash flows and management of working capital to ensure that it can meet its future obligations.

The Group has continued to deliver services during the Covid-19 lockdown. Whilst there remains some uncertainty around timings of projects, it is expected that the project pipeline will continue to be delivered albeit some projects may change. A full review of the pipeline has been undertaken in close conjunction with the Participants and the five year budget has been revised accordingly.

The result for the year is set out in the Consolidated Statement of comprehensive income on page 9. The result for the year after providing for taxation is a profit of £981,137 (2019: profit £1,642,987).

### Dividend

A dividend of £719,778 was paid in the year to 31 March 2020 (2019: £nil).

### Directors

The directors who held office during the period are set out below:

N McCormick  
D Fletcher  
AC Cook

### Political contributions

The Group and Company made no political donations or incurred any political expenditure during the year.

### Disclosure of information to auditor

The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

### Auditor

Pursuant to Section 487 of the Companies Act 2006, the auditor will be deemed to be reappointed and Johnston Carmichael LLP will therefore continue in office.

By order of the board

  
N McCormick  
Director

19th October 2020

## **Statement of directors' responsibilities in respect of the Directors' Report and the financial statements**

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 they have elected to prepare the financial statements in accordance with applicable law and Section 1A of FRS 102 *The Financial Reporting Standard applicable in the UK and Republic of Ireland* (UK Generally Accepted Accounting Practice applicable to Smaller 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 estimates that are reasonable and prudent.
- state whether applicable UK Accounting Standards comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the financial statements; 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 have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.



## **Independent auditor's report to the members of Amber Blue East Central Limited**

### **Opinion**

We have audited the financial statements of Amber Blue East Central Limited ('parent company') and its subsidiaries (the 'group') for the year ended 31 March 2020 which comprises the Consolidated Statement of Comprehensive Income, Consolidated Statement of Financial Position, Company Statement of Financial Position, Group Statement of Changes in Equity, Company Statement of Changes in Equity, Consolidated Statement of Cash Flows and 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 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 group's and parent company's affairs as at 31 March 2020, and of the group's 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 group 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 group's or parent 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.

## **Independent auditor's report to the members of Amber Blue East Central Limited**

### **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 strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report 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 our knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the strategic report and 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 by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company 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 statement of directors' responsibilities set out on page 5, 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 group's and parent 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 group or the parent 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.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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. 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.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the groups' internal control.

## **Independent auditor's report to the members of Amber Blue East Central Limited**

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

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the groups or parent company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the group or the parent company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate evidence regarding the financial information of the entities or business activities within the group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

### **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.



Grant Roger (Senior Statutory Auditor)  
for and on behalf of Johnston Carmichael LLP

21 October 2020  
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Chartered Accountants  
Statutory Auditor  
7-11 Melville Street  
Edinburgh  
EH3 7PE

**Consolidated Statement of Comprehensive Income**  
*for the year to 31 March 2020*

|   | <i>Note</i> | <b>2020</b><br>£ | <b>2019</b><br>£ |
|---|-------------|------------------|------------------|
| Turnover  |             | 1,999,345        | 2,278,317        |
| Operating expenses  |             | (1,999,345)      | (2,278,317)      |
| <b>Operating profit</b>                                       |             | -                | -                |
| Share of Operating Profit of Joint Ventures<br>and Associates |             | 1,030,758        | 2,029,226        |
| <b>Profit on ordinary activities before<br/>taxation</b>      |             | 1,030,758        | 2,029,226        |
| Tax on profit on ordinary activities                          | 5           | (49,621)         | (386,239)        |
| <b>Profit for the financial year</b>                          |             | 981,137          | 1,642,987        |
| <b>Total comprehensive income for the year</b>                |             | 981,137          | 1,642,987        |

The Profit for the year has been derived from continuing activities.

The company has no recognised gains or losses for the current and preceding years.

The notes on pages 15 to 21 form part of the financial statements.

**Consolidated Statement of Financial Position**  
*at 31 March 2020*

|  | <i>Note</i> | 2020<br>£        | 2019<br>£        |
|--|-------------|------------------|------------------|
| <b>Fixed Assets</b>                            |             |                  |                  |
| Investments                                    | 6           | 4,159,603        | 3,898,245        |
| <b>Current assets</b>                          |             |                  |                  |
| Debtors: due within one year                   | 7           | 442,727          | 295,465          |
| Cash at bank and in hand                       |             | 1,789            | 1,789            |
|  |             | <u>444,516</u>   | <u>297,254</u>   |
| <b>Current Liabilities</b>                     |             |                  |                  |
| Creditors: amounts falling due within one year | 8           | (444,912)        | (297,650)        |
| <b>Net assets</b>                              |             | <u>4,159,207</u> | <u>3,897,849</u> |
| <b>Capital and reserves</b>                    |             |                  |                  |
| Called up share capital                        | 9           | 108              | 108              |
| Profit and loss account                        |             | 4,159,099        | 3,897,741        |
| <b>Shareholders' funds</b>                     |             | <u>4,159,207</u> | <u>3,897,849</u> |

These financial statements of Amber Blue East Central Limited were approved by the board of directors and authorised for issue on 19/10/2020 and were signed on its behalf by:

  
N McCormick  
Director

The notes on pages 15 to 21 form part of the financial statements.

## Company Statement of Financial Position

at 31 March 2020

|  | <i>Note</i> | <b>2020</b><br>£ | <b>2019</b><br>£ |
|--|-------------|------------------|------------------|
| <b>Fixed Assets</b>                            |             |                  |                  |
| Investments                                    | 6           | 504              | 504              |
| <b>Current assets</b>                          |             |                  |                  |
| Debtors: due within one year                   | 7           | 442,727          | 295,465          |
| Cash at bank and in hand                       |             | 1,789            | 1,789            |
|  |             | <b>444,516</b>   | <b>297,254</b>   |
| <b>Current Liabilities</b>                     |             |                  |                  |
| Creditors: amounts falling due within one year | 8           | (444,912)        | (297,650)        |
| <b>Net assets</b>                              |             | <b>108</b>       | <b>108</b>       |
| <b>Capital and reserves</b>                    |             |                  |                  |
| Called up share capital                        | 9           | 108              | 108              |
| Profit and loss account                        |             | -                | -                |
| <b>Shareholders' funds</b>                     |             | <b>108</b>       | <b>108</b>       |

These financial statements of Amber Blue East Central Limited were approved by the board of directors and authorised for issue on 19/10/2020 and were signed on its behalf by:



N McCormick  
Director

The notes on pages 15 to 21 form part of the financial statements.

## Group Statement of Changes in Equity

|                                 | Called up<br>Share<br>Capital<br>£ | Profit<br>and Loss<br>Account<br>£ | Total<br>Equity<br>£ |
|---------------------------------|------------------------------------|------------------------------------|----------------------|
| At 1 April 2018                 | 108                                | 2,254,754                          | 2,254,862            |
| Profit for the year             | -                                  | 1,642,987                          | 1,642,987            |
| <b>At 31 March 2019</b>         | <b>108</b>                         | <b>3,897,741</b>                   | <b>3,897,849</b>     |
| Profit for the year             | -                                  | 981,136                            | 981,136              |
| Dividends Paid                  | -                                  | (719,778)                          | (719,778)            |
| <b>Balance at 31 March 2020</b> | <b>108</b>                         | <b>4,159,099</b>                   | <b>4,159,207</b>     |

## Company Statement of Changes in Equity

|                                 | Called up<br>Share<br>Capital<br>£ | Profit<br>and Loss<br>Account<br>£ | Total<br>Equity<br>£ |
|---------------------------------|------------------------------------|------------------------------------|----------------------|
| At 1 April 2018                 | 108                                | -                                  | 108                  |
| Profit for the year             | -                                  | -                                  | -                    |
| <b>At 31 March 2019</b>         | <b>108</b>                         | <b>-</b>                           | <b>108</b>           |
| Profit for the year             | -                                  | -                                  | -                    |
| <b>Balance at 31 March 2020</b> | <b>108</b>                         | <b>-</b>                           | <b>108</b>           |

## Consolidated Statement of Cash Flows

for the year ended 31 March 2020

|   | Note | 2020<br>£           | 2019<br>£           |
|---|------|---------------------|---------------------|
| <b>Cash flows from operating activities</b>             |      |                     |                     |
| Profit for the year                                     |      | 981,137             | 1,642,987           |
| Adjustments for:  |      |                     |                     |
| Share of pre-tax profit – joint ventures and associates |      | (1,030,758)         | (2,029,226)         |
| Tax on Profit   |      | 49,621              | 386,239             |
|   |      |                     |                     |
| Increase in trade and other debtors                     | 7    | (147,262)           | (202,000)           |
| Increase in trade and other creditors                   | 8    | 147,262             | 202,000             |
|   |      |                     |                     |
| <b>Net cash from operating activities</b>               |      | <u>-</u>            | <u>-</u>            |
|   |      |                     |                     |
| <b>Cash flows from investing activities</b>             |      |                     |                     |
| Interest receivable and similar income                  |      | -                   | -                   |
| Payments to acquire investments                         |      | -                   | -                   |
|   |      |                     |                     |
| <b>Net cash from investing activities</b>               |      | <u>-</u>            | <u>-</u>            |
|   |      |                     |                     |
| <b>Cash flows from financing activities</b>             |      |                     |                     |
| Interest paid   |      | -                   | -                   |
| Taxation  |      | -                   | -                   |
|   |      |                     |                     |
| <b>Net cash from financing activities</b>               |      | <u>-</u>            | <u>-</u>            |
|   |      |                     |                     |
| Net decrease in cash and cash equivalents               |      | -                   | -                   |
| Cash and cash equivalents at 31 March 2019              |      | 1,789               | 1,789               |
|   |      |                     |                     |
| <b>Cash and cash equivalents at 31 March 2020</b>       |      | <u><u>1,789</u></u> | <u><u>1,789</u></u> |



## Notes (forming part of the financial statements)

### 1 Accounting policies

Amber Blue East Central Limited (the "Company") is a private company limited by shares and incorporated and domiciled in Scotland. The address of its registered office is Robertson House, Castle Business Park, Stirling, FK9 4TZ.

The principal activity of the company is that of an investment company for a number of projects in East Central Scotland. These financial statements present information about the Company as an individual undertaking and not about its group.

The company's functional and presentation currency is the pound sterling. Monetary amounts in these Financial statements are rounded to the nearest pound.

These financial statements were prepared in accordance with Financial Reporting Standard 102 1A. *The Financial Reporting Standard* applicable in the UK and Republic of Ireland (FRS 102) as issued in August 2014. The amendments to FRS 102 issued in July 2015 have been applied.

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's Financial Statements.

#### 1.1 Basis of Preparation

Subsidiaries which have been excluded from consolidation on the basis of severe long-term restrictions over the assets or management of a subsidiary, but where it is deemed the parent continues to have significant influence over the subsidiary are accounted for as an associate on consolidation.

#### 1.2 Going concern

The directors have prepared cash flow forecasts for the company which covers a period of at least twelve months from the date of approval of these financial statements. These cash flow forecasts indicate that the company will generate enough cash to be able to meet its liabilities as they fall due and accordingly the directors have prepared the financial statements on the going concern basis. Hub East Central Scotland Ltd which is the ongoing development company within the Group has continued to support participants throughout the Covid-19 lockdown to ensure that existing projects in construction which are key projects can continue to be delivered in a safe and efficient manner. In addition, the development of projects has continued during lockdown to minimise the impact of Covid-19 on development timescales and project affordability. The project pipeline is reviewed weekly in line with ongoing discussions with Participants. The budget has been revised to reflect any changes which are expected including any delays. The Directors receive a rolling forecast of the cash and this is compared to the operating costs at each Board meeting.

#### 1.3 Basis of Consolidation

The group financial statements consolidate the financial statements of Amber Blue East Central Limited and all of its subsidiary undertakings. Intra group sales and purchases are eliminated on consolidation and all sales and profit figures relate to external transactions only.

Subsidiaries are consolidated from the date the Group obtains control and continues to be consolidated until the date that such control ceases. Control comprises the power to govern the financial and operating policies of the investee so as to obtain benefit from its activities. Subsidiaries are excluded from consolidation where there is a deemed severe long-term restriction which substantially hinders the rights of the parent entity over the assets or management of the subsidiary. Where this is deemed to be the case but the parent continues to have significant influence over the subsidiary the entity is accounted for as an associate. Associates are accounted for using the equity method. Entities in which the Company has a long-term interest and shares control under a contractual arrangement are classified as jointly controlled entities.

In the parent company financial statements, investments in subsidiaries, associates and Joint Ventures are accounted for at cost less impairment.

#### 1.4 Turnover

Revenue is recognised to the extent that it is probable that the future 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. Turnover represents fees receivable together with recharges of costs relating to management services for the delivery of public sector infrastructure projects and excludes VAT.

**Notes (continued)**  
**Accounting Policies (continued)**

**1.5 Operating Expenses**

Operating Expenses represents the costs and expenses relating to the management services for the delivery of public sector infrastructure projects.

**1.6 Interest receivable and interest payable**

All interest receivable and payable has been taken to the profit and loss account.

**1.7 Taxation**

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits.

**1.8 Basic financial instruments**

*Trade and other debtors / creditors*

Trade and other debtors are recognised initially at transaction price less attributable transaction costs. Trade and other creditors are recognised initially at transaction price plus attributable transaction costs. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses in the case of trade debtors.

*Interest-bearing borrowings classified as basic financial instruments*

Interest-bearing borrowings are recognised initially at the present value of future payments discounted at a market rate of interest. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses. Any transaction fees related to the borrowings are recognised in the Statement of Comprehensive Income over the life of the borrowing.

*Investments in subsidiaries*

These are separate financial statements of the company. Investments in subsidiaries are carried at cost less any provision required for diminution in value.

*Cash and cash equivalents*

Cash and cash equivalents comprise cash balances.

**1.9 Key sources of estimation uncertainty**

The Group believes that there are no areas of material uncertainty which affect the financial statements.

*Critical accounting judgements in applying the Company's accounting policies*

The Group applies judgement in determining how to account for its investments on consolidation. Consideration is made regarding investment restrictions over the assets or management of entities and whether the Group has significant influence.

**Notes (continued)**

**2 Expenses and auditor's remuneration**

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| <i>Profit on ordinary activities before taxation is stated after charging:</i> |                   |                   |
| Auditor's remuneration:  |                   |                   |
| Audit of these financial statements  | 3,400             | 3,275             |
| Other services relating to taxation  | 1,330             | 1,275             |
|  | <u>          </u> | <u>          </u> |

**3 Staff numbers and cost**

There are no employees of the Company (2019: nil).

**4 Remuneration of directors**

The directors received no emoluments from the Company during the period (2019: £nil).

**5 Taxation**

Total tax expense recognised in the profit and loss account

|   | 2020              | 2019              |
|---|-------------------|-------------------|
|   | £                 | £                 |
| <i>Current tax</i>                            |                   |                   |
| Current tax on income for period              | -                 | -                 |
| Share of Tax of Joint Ventures and Associates | 49,621            | 386,239           |
|   | <u>          </u> | <u>          </u> |
| Total tax charge                              | 49,621            | 386,239           |
|   | <u>          </u> | <u>          </u> |

**Reconciliation of effective tax rate**

|  | 2020              | 2019              |
|--|-------------------|-------------------|
|  | £                 | £                 |
| Profit for the year                                      | 981,137           | 1,642,987         |
| Total tax charge   | 49,621            | 386,239           |
|  | <u>          </u> | <u>          </u> |
| Profit before taxation                                   | 1,030,758         | 2,029,226         |
|  | <u>          </u> | <u>          </u> |
| Tax using the UK corporation tax rate of 19% (2019: 19%) | 149,901           | 290,904           |
| Difference in Joint Venture and Associates tax charge    | 100,280           | 95,335            |
|  | <u>          </u> | <u>          </u> |
| Share of Joint Ventures and Associates tax               | 49,621            | 386,239           |
|  | <u>          </u> | <u>          </u> |

The Company has no tax losses available to carry forward against future profits.

**Factors affecting the future current and total tax charges**

A change to the future UK corporation tax rate was announced in the March 2020 Budget. The rate will no longer drop to 17% with effect from 1 April 2020 but will remain at the previous rate of 19%. This change has been recognised in these financial statements.

**Notes (continued)**

**6 Fixed Asset Investments**

| <b>Group</b>                      | <b>Investments in subsidiaries/Joint Ventures and associates</b> |
|-----------------------------------|--|
| <b>Cost or valuation</b>          | <b>£</b>   |
| At 1 April 2019                   | 3,898,245  |
| Share of profit after tax         | 981,137  |
| Dividends Paid                    | (719,778)  |
| <b>At 31 March 2020</b>           | <b>4,159,603</b>   |
| <b>Company</b>                    |  |
| <b>Cost or valuation</b>          | <b>£</b>   |
| At 1st April 2019 & 31 March 2020 | 504  |

The group's share of joint ventures turnover, profit and net assets is shown below:

|                                 | <b>2020</b>       | <b>2019</b>       |
|---------------------------------|-------------------|-------------------|
|                                 | <b>£</b>          | <b>£</b>          |
| Turnover                        | <u>29,102,935</u> | <u>13,744,112</u> |
| (Loss) /Profit before tax       | (94,618)          | 27,512            |
| Taxation recoverable/(payable)  | 17,977            | (2,964)           |
| (Loss) /Profit after tax        | <u>(76,641)</u>   | <u>24,548</u>     |
| Current Assets                  | 7,009,491         | 6,881,179         |
| Liabilities due within one year | (6,441,905)       | (6,236,953)       |
| Share of Shareholders' funds    | <u>567,586</u>    | <u>644,226</u>    |

## Notes (continued)

### 6 Fixed Asset Investments (continued)

#### Subsidiaries accounted for as Associates

The Company directly owns 60% of the share capital of the holding companies Hub East Central (Levenmouth) Midco Ltd, Hub East Central (Forfar) Midco Ltd, Hub East Central (Baldragon) Midco Ltd, Hub East Central (PSS) Midco Ltd, Hub East Central (SCV) Midco Ltd, Hub East Central (Bertha Park) Midco Ltd and Hub East Central (Angus Schools) Midco Ltd which in turn hold 100% of the share capital of each of the related companies set up to deliver the DBFM projects. All companies were incorporated in Scotland and have a principal activity of public/private partnership to deliver a public sector infrastructure project.

#### Subsidiaries accounted for as Joint Ventures

The Company owns 100% of the C Ordinary Shares of Hub East Central Scotland Limited, representing 60% of the share capital of Hub East Central Scotland Limited. Hub East Central Scotland Limited is controlled jointly by the shareholders of the three classes of Ordinary Shares (A, B and C).

### 7 Debtors

| Group and Company                          | 2020<br>£      | 2019<br>£      |
|--|----------------|----------------|
| <i>Amounts falling due within one year</i> |                |                |
| Amounts due from related parties           | 435,522        | 275,425        |
| Other debtors                              | 7,205          | 20,040         |
|  | <u>442,727</u> | <u>295,465</u> |

### 8 Creditors: amounts falling due within one year

| Group and Company              | 2020<br>£      | 2019<br>£      |
|--------------------------------|----------------|----------------|
| Amounts due to related parties | 435,522        | 275,425        |
| Accruals and deferred income   | 9,390          | 22,225         |
|                                | <u>444,912</u> | <u>297,650</u> |

### 9 Called up share capital

|   | 2020<br>£  | 2019<br>£  |
|---|------------|------------|
| <i>Allotted, called up and fully paid</i> |            |            |
| 45 AM Ordinary shares of £1 each          | 45         | 45         |
| 18 F Ordinary Shares of £1 each           | 18         | 18         |
| 45 R Ordinary Shares of £1 each           | 45         | 45         |
|   | <u>108</u> | <u>108</u> |

On 17 February 2012, the ordinary share of £1 issued on incorporation was transferred to Robertson Capital Projects hub Investments Limited. A further 44 ordinary shares were allotted to Robertson Capital Projects hub Investments Limited; 45 ordinary shares were allotted to Amber Investment Holdings Limited and 18 ordinary shares were allotted to Forth PPP Limited.

The F Shares, the AM Shares and the R Shares rank pari passu in all respects but constitute separate classes of shares.

## 10 Commitments

At 31 March 2020, the Group had no authorised and contracted capital commitments.

## 11 Related party disclosures

Robertson Group (Holdings) Limited is a 100% shareholder in Robertson Capital Projects Limited who own 100% of Robertson Capital Projects Hub Investments Limited who own 41.67% of Amber Blue East Central Limited.

Amber Infrastructure Group Holdings Ltd is a 100% shareholder in Amber Infrastructure Ltd who own 100% of Amber Investment Holdings Limited who own 41.67% of Amber Blue East Central Limited.

Forth Holdings Ltd is a 100% shareholder in Forth PPP Ltd who own 16.66% of Amber Blue East Central Limited.

During the year the company incurred the following income/expenditure with related parties. The amounts receivable/payable at the end of the year are also set out below:

| Related party                            | Relationship   | Class of transaction              | 2020 Income | 2020 Debtor | 2019 Income | 2019 Debtor |
|--|--|-----------------------------------|-------------|-------------|-------------|-------------|
|  |  |                                   | £           | £           | £           | £           |
| Hub East Central Scotland Limited        | This Company is a 60% shareholder in Hub East Central Scotland Ltd.  | Management Services/Loan Interest | 1,774,059   | 435,522     | 2,021,729   | 275,425     |
| Hub East Central (Levenmouth) Limited    | This Company is a 60% shareholder in Hub East Central (Levenmouth) Midco Ltd who own 100% of Hub East Central (Levenmouth) Ltd       | Management Services               | 29,937      | -           | 29,927      | -           |
| Hub East Central (Forfar) Limited        | This Company is a 60% shareholder in Hub East Central (Forfar) Midco Ltd who own 100% of Hub East Central (Forfar) Ltd               | Management services               | 29,937      | -           | 29,927      | -           |
| Hub East Central (Baldragon) Limited     | This Company is a 60% shareholder in in Hub East Central (Baldragon) Midco Ltd who own 100% of Hub East Central (Baldragon) Ltd      | Management services               | 30,112      | -           | 30,098      | -           |
| Hub East Central (SCV) Limited           | This Company is a 60% shareholder in Hub East Central (SCV) Midco Ltd who own 100% of Hub East Central (SCV) Ltd                     | Management services               | 56,449      | -           | 51,855      | -           |
| Hub East Central (PSS) Limited           | This Company is a 60% shareholder in Hub East Central (PSS) Midco Ltd who own 100% of Hub East Central (PSS) Ltd                     | Management services               | 34,437      | -           | 29,927      | -           |
| Hub East Central (Bertha Park) Limited   | This Company is a 60% shareholder in Hub East Central (Bertha Park) Midco Ltd who own 100% of Hub East Central (Bertha Park) Ltd     | Management services               | 29,937      | -           | 29,927      | -           |
| Hub East Central (Angus Schools) Limited | This Company is a 60% shareholder in Hub East Central (Angus Schools) Midco Ltd who own 100% of Hub East Central (Angus Schools) Ltd | Management services               | 29,937      | -           | 54,927      | -           |

**Notes (continued)**

**11 Related party disclosures (continued)**

| Related party                      | Relationship  | Class of transaction   | 2020 Expenditure | 2020 Creditor | 2019 Expenditure | 2019 Creditor |
|------------------------------------|---|--|------------------|---------------|------------------|---------------|
|                                    |   |  | £                | £             | £                | £             |
| Robertson Capital Projects Limited | Robertson Capital Projects Ltd is a 41.67% shareholder in This Company. | Management services & recharge costs (Audit Fees / Bank Charges) | 1,990,055        | 431,601       | 2,278,317        | 275,425       |

**12 Immediate & ultimate parent company**

The Company is a joint venture between Robertson Capital Projects Hub Investment Limited, who own 41.67% of the share capital, and Amber Investment Holdings Limited who own 41.67% and Forth PPP Limited who own 16.66%. In the opinion of the directors there is no ultimate parent or controlling party.