

**Amber Blue East Central Limited**

**Annual report and financial statements**

**Registered number SC404406**

**31 March 2021**

**Amended**



## **Contents**

Directors and advisors	1
Strategic Report	2
Directors' report	5
Statement of directors' responsibilities in respect of the Directors' Report and the financial statements	6
Independent auditor's report to the members of Amber Blue East Central Limited	7
Consolidated Statement of Comprehensive Income	10
Consolidated Statement of Financial Position	11
Company Statement of Financial Position	12
Group Statement of Changes in Equity	13
Company Statement of Changes in Equity	13
Consolidated Statement of Cash Flows	14
Notes to the Financial Statements	15

## **Directors and advisors**

### **Directors**

D Fletcher  
AC Cook  
E Robertson

### **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, is a joint venture between Alban Spring (Hub) 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 2021 are £4,095,730 (2020 £4,159,207). The Group and Company had net current liabilities of £396 (2020 net liabilities of £396) and with a cash balance of £1,789 (2020 £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 or reduced. 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 HECS, the ongoing development company within the Group, has been revised accordingly. Whilst there remains some uncertainty around timing of projects, it is expected that Scottish 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 rectification of defects. Agreed form contracts are put in place and delivery is monitored to ensure quality. 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.

### 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 rates were 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 2021 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 the 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

**D Fletcher**

**Director**



**14 December 2021**

## Directors' report

The directors present their report and the financial statements for the year to 31 March 2021.

### 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, Alban Spring (Hub) 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 £128,834 (2020: profit £981,137).

### Dividend

A dividend of £192,311 was paid in the year to 31 March 2021 (2020: £719,778).

### Directors

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

N McCormick (resigned 18<sup>th</sup> December 2020)

D Fletcher

AC Cook

E Robertson (appointed 10<sup>th</sup> March 2021)

### Political contributions

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

### Disclosure of information to auditor

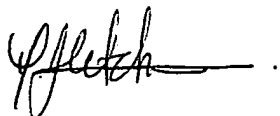
The directors who held office at the date of approval of this Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Company's auditor is unaware, and each director has taken all the steps that he ought to have taken as a director to make himself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

D Fletcher  
Director



14 December 2021

## **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 consolidated financial statements of Amber Blue East Central Limited (the 'parent company') and its subsidiaries (the 'group') for the year ended 31 March 2021 which comprise 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 Cashflow and 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 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 parent company's and group's affairs as at 31 March 2021, 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 and parent 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 group's and parent 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 audit 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.

### 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 group and parent 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 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 statement set out on page 6, 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 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 and 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.

#### ***Extent to which the audit is 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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud, is detailed below.

We assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and parent company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- FRS 102
- Companies Act 2006
- Corporation Tax legislation
- VAT legislation

We gained an understanding of how the group and parent company is complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the group and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control

environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims, and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;
- Reviewing the level of and reasoning behind the group and parent company's procurements of legal and professional services;
- Performing audit work procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business, and reviewing judgements made by management in their calculation of accounting estimates for potential management bias; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission, or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: <https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx>. This description forms part of our auditor's report.

#### 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

14 December 2021  
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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 2021*

	<i>Note</i>	<b>2021</b> £	<b>2020</b> £
Turnover		<b>1,677,694</b>	1,999,345
Operating expenses		<b>(1,677,694)</b>	(1,999,345)
<b>Operating profit</b>		<b>-</b>	-
Share of Operating Profit of Joint Ventures and Associates		<b>266,299</b>	1,030,758
<b>Profit on ordinary activities before taxation</b>		<b>266,299</b>	1,030,758
Tax on profit on ordinary activities	5	<b>(137,465)</b>	(49,621)
<b>Profit for the financial year</b>		<b>128,834</b>	981,137
<b>Total comprehensive income for the year</b>		<b>128,834</b>	981,137

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 2021**

	<i>Note</i>	<b>2021</b> <b>£</b>	<b>2020</b> <b>£</b>
<b>Fixed Assets</b>			
Investments	6	4,096,126	4,159,603
<b>Current assets</b>			
Debtors: due within one year	7	258,105	442,727
Cash at bank and in hand		1,789	1,789
		<u>259,894</u>	<u>444,516</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	8	(260,290)	(444,912)
<b>Net assets</b>		<u>4,095,730</u>	<u>4,159,207</u>
<b>Capital and reserves</b>			
Called up share capital	9	108	108
Profit and loss account		4,095,622	4,159,099
<b>Shareholders' funds</b>		<u>4,095,730</u>	<u>4,159,207</u>

These financial statements of Amber Blue East Central Limited were approved by the board of directors and authorised for issue on 14 December 2021 and were signed on its behalf by:



**D Fletcher**  
Director

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

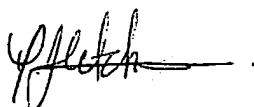
## Company Statement of Financial Position

at 31 March 2021

	Note	2021 £	2020 £
<b>Fixed Assets</b>			
Investments	6	504	504
<b>Current assets</b>			
Debtors: due within one year	7	258,105	442,727
Cash at bank and in hand		1,789	1,789
		<u>259,894</u>	<u>444,516</u>
<b>Current Liabilities</b>			
Creditors: amounts falling due within one year	8	(260,290)	(444,912)
<b>Net assets</b>		<u>108</u>	<u>108</u>
<b>Capital and reserves</b>			
Called up share capital	9	108	108
Profit and loss account		-	-
<b>Shareholders' funds</b>		<u>108</u>	<u>108</u>

As permitted by s408 Companies Act 2006, the company has not presented its own profit and loss account and related notes. The company's profit for the year was £192,311 (2020 - £719,778).

These financial statements of Amber Blue East Central Limited were approved by the board of directors and authorised for issue on 14 December 2021 and were signed on its behalf by:



**D Fletcher**  
Director

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

### Group Statement of Changes in Equity

	Called up Share Capital £	Profit and Loss Account £	Total Equity £
At 1 April 2019	108	3,897,740	3,897,848
Profit for the year	-	981,137	981,137
Dividends Paid	-	(719,778)	(719,778)
<b>At 31 March 2020</b>	<b>108</b>	<b>4,159,099</b>	<b>4,159,207</b>
Profit for the year	-	128,834	128,834
Dividends Paid	-	(192,311)	(192,311)
<b>Balance at 31 March 2021</b>	<b>108</b>	<b>4,095,622</b>	<b>4,095,730</b>

### Company Statement of Changes in Equity

	Called up Share Capital £	Profit and Loss Account £	Total Equity £
At 1 April 2019	108	-	108
Profit for the year	-	719	719
Dividend Paid	-	(719)	(719)
<b>At 31 March 2020</b>	<b>108</b>	<b>-</b>	<b>108</b>
Profit for the year	-	192	192
Dividend Paid	-	(192)	(192)
<b>Balance at 31 March 2021</b>	<b>108</b>	<b>-</b>	<b>108</b>

## Consolidated Statement of Cash Flows

*for the year ended 31 March 2021*

	Note	2021 £	2020 £
<b>Cash flows from operating activities</b>			
Profit for the year		128,834	261,359
Adjustments for:			
Share of pre-tax profit – joint ventures and associates		(266,299)	(1,030,758)
Tax on Profit		137,465	49,621
Increase in trade and other debtors	7	184,622	(147,262)
Increase in trade and other creditors	8	(184,622)	147,262
<b>Net cash from operating activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from investing activities</b>			
Interest receivable and similar income		192,311	719,778
Payments to acquire investments		-	-
<b>Net cash from investing activities</b>		<u>-</u>	<u>-</u>
<b>Cash flows from financing activities</b>			
Dividends paid		192,311	719,778
Interest paid		-	-
Taxation		-	-
<b>Net cash from financing activities</b>		<u>192,311</u>	<u>719,778</u>
Net decrease in cash and cash equivalents		-	-
Cash and cash equivalents at 31 March 2020		1,789	1,789
<b>Cash and cash equivalents at 31 March 2021</b>		<u><u>1,789</u></u>	<u><u>1,789</u></u>



## Notes to 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 continue 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

	2021 £	2020 £
<i>Profit on ordinary activities before taxation is stated after charging:</i>		
Auditor's remuneration:		
Audit of these financial statements	4,070	3,400
Other services relating to taxation	1,400	1,330
	<u>          </u>	<u>          </u>

### 3 Staff numbers and cost

There are no employees of the Company (2020: nil).

### 4 Remuneration of directors

The directors are not remunerated for service to Amber Blue Group.

### 5 Taxation

Total tax expense recognised in the profit and loss account

	2021 £	2020 £
<i>Current tax</i>		
Current tax on income for the period	(3,239)	149,901
<i>Deferred tax</i>		
Origination and reversal of timing differences	(134,226)	(100,280)
	<u>(137,465)</u>	<u>49,621</u>

### Reconciliation of effective tax rate

	2021 £	2020 £
Profit for the year before taxation	266,299	1,030,758
Tax using the UK corporation tax rate of 19% (2020 19%)	50,597	195,844
Expenses not allowable	-	-
Other differences leading to reduction in tax recoverable	86,868	(146,223)
	<u>137,465</u>	<u>(49,621)</u>

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

### Factors affecting the future current and total tax charges.

The UK tax rate remained at 19% for the financial years 2020 and 2021. An increase in the UK corporation tax rate from 19% to 25% main rate and marginal relief was substantively enacted on 24 May 2021 (effective 1 April 2023). The deferred tax asset at 31 March 2021 has been calculated based on the current rate of 19%.

**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 2020	4,159,603
Share of profit after tax	128,834
Dividends Paid	(192,311)
<b>At 31 March 2021</b>	<b>4,096,126</b>
<b>Company</b>	
<b>Cost or valuation</b>	<b>£</b>
<b>At 1st April 2020 &amp; 31 March 2021</b>	<b>504</b>

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

	<b>2021</b>	<b>2020</b>
	<b>£</b>	<b>£</b>
Turnover	<u><b>22,708,945</b></u>	<u><b>29,102,935</b></u>
(Loss) /Profit before tax	<b>(133,847)</b>	<b>(94,618)</b>
Taxation recoverable/(payable)	<b>25,431</b>	<b>17,977</b>
(Loss) /Profit after tax	<u><b>(108,416)</b></u>	<u><b>(76,641)</b></u>
Current Assets	<b>6,106,005</b>	<b>7,009,491</b>
Liabilities due within one year	<u><b>(5,646,836)</b></u>	<u><b>(6,441,905)</b></u>
Share of Shareholders' funds	<u><b>459,169</b></u>	<u><b>567,586</b></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	2021 £	2020 £
<i>Amounts falling due within one year</i>		
Amounts due from related parties	249,335	435,522
Other debtors	8,770	7,205
	<u>258,105</u>	<u>442,727</u>

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

Group and Company	2021 £	2020 £
Amounts due to related parties	249,335	435,522
Accruals and deferred income	10,955	9,390
	<u>260,290</u>	<u>444,912</u>

### 9 Called up share capital.

	2021 £	2020 £
<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>

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

## Notes (continued)

### 10 Commitments

At 31 March 2021, the Group had no authorised and contracted capital commitments.

### 11 Related party disclosures

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	2021 Income	2021 Debtor	2020 Income	2020 Debtor
			£	£	£	£
Hub East Central Scotland Limited	This Company is a 60% shareholder in Hub East Central Scotland Ltd.	Management Services & Fees	1,457,322	249,335	1,774,059	435,522
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	30,672	-	29,937	-
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	30,672	-	29,937	-
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	30,852	-	30,112	-
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	30,672	-	56,449	-
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	30,672	-	34,437	-
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	30,672	-	29,937	-
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	30,672	-	29,937	-

**Notes (continued)**

**11 Related party disclosures (continued)**

Related party	Relationship	Class of transaction	2021 Expenditure £	2021 Creditor £	2020 Expenditure £	2020 Creditor £
Robertson Capital Projects Limited	Robertson Capital Projects Ltd is a 41.67% shareholder in This Company.	Management services, Fees	1,670,887	244,093	1,990,055	431,601

**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 Alban Spring (Hub) 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.