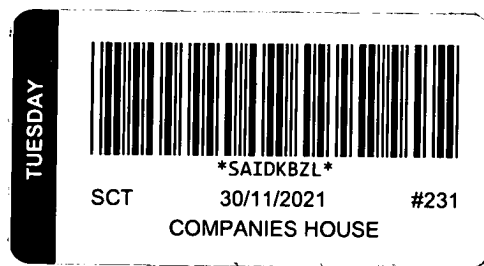


Elgin Education (Aberdeenshire 2) Holdings Limited
Annual Report and Financial Statements
31 March 2021

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Elgin Education (Aberdeenshire 2) Holdings Limited

Annual Report and Financial Statements

Year Ended 31 March 2021

Contents	Page
Officers and Professional Advisers	1
Directors' Report	2
Directors' Responsibilities Statement	4
Independent Auditor's Report to the Members of Elgin Education (Aberdeenshire 2) Holdings Limited	5
Statement of Comprehensive Income	9
Statement of Financial Position	10
Statement of Changes in Equity	11
Notes to the Annual Report and Financial Statements	12

Elgin Education (Aberdeenshire 2) Holdings Limited

Officers and Professional Advisers

The board of directors	G Steven F Laing M Donn J Gordon
Company secretary	Infrastructure Managers Limited
Registered office	11 Thistle Street Edinburgh EH2 1DF
Independent auditors	Johnston Carmichael LLP Chartered Accountants & Statutory Auditors 7-11 Melville Street Edinburgh EH3 7PE
Bankers	Bank of Scotland New Uberior House 11 Earl Grey Street Edinburgh EH3 9BN
Solicitors	Dentons UKMEA LLP 1 George Square Glasgow G2 1AL

Elgin Education (Aberdeenshire 2) Holdings Limited

Directors' Report

Year Ended 31 March 2021

The directors present their report and the audited Annual Report and Financial Statements of Elgin Education (Aberdeenshire 2) Holdings Limited ("the Company") for the year ended 31 March 2021.

Principal Activities

The principal activity of the Company is that of a Holding Company to Elgin Education (Aberdeenshire 2) Limited.

Performance Review

The profit for the financial year, after taxation, amounted to £– (2020: £–).

The profit for the financial year will be transferred to reserves.

The directors are satisfied with the overall performance of the Company and do not foresee any significant change in the Company's activities in the coming financial year.

Covid-19 was declared a pandemic in March 2020 and since then there has been widespread disruption in the UK. The directors have considered the current and future financial impact to the Company of Covid-19, taking into account the sources of income and expenditure. Throughout the pandemic the underlying investment has continued to perform in line with modelled expectations. It is the directors' view that this performance is expected to continue. Although the likely full impact is unknown, and at this stage is not possible to quantify, it is not expected to materially impact on the operations or financial position of the Company.

Key Performance Indicators

In its role as a holding company there are no key performance indicators for the directors to monitor. However, from a group point of view the performance of the investment is assessed every six months by testing the cash resources against the bank lending covenants. The key indicator being the debt service cover ratio. The investment has been compliant with the covenants laid out in the Group loan agreement.

Going Concern

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions, including the impact of Covid-19, that will prevail over the forecast period. The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

Directors

The directors who served the Company during the year and up to the date of this report were as follows:

F Laing

M Donn

J Gordon

G Steven

R Christie

(Appointed 1 July 2021)

(Resigned 1 July 2021)

Elgin Education (Aberdeenshire 2) Holdings Limited

Directors' Report *(continued)*

Year Ended 31 March 2021

Dividends

No dividends were paid during the year (2020: £nil). Further, no dividends are recommended.

Qualifying Third Party Indemnity Provisions

The Company has made qualifying third party indemnity provisions for the benefit of its directors during the year. These provisions remain in force at the reporting date.

Small Company Provisions

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

Disclosure of Information to Auditor

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

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

The auditor, Johnston Carmichael LLP, is deemed to have been re-appointed in accordance with section 487 of the Companies Act 2006.

This report was approved by the board of directors on 5 October 2021 and signed by order of the board by:



Infrastructure Managers Limited
Company Secretary

Elgin Education (Aberdeenshire 2) Holdings Limited

Directors' Responsibilities Statement

Year Ended 31 March 2021

The directors are responsible for preparing the Directors' Report and the Annual Report and Financial Statements in accordance with applicable law and regulations.

Company law requires the directors to prepare the Annual Report and Financial Statements for each financial year. Under that law the directors have prepared the Annual Report and Financial Statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards, comprising Financial Reporting Standard 102 The Financial Reporting Standard Applicable in the UK and Republic of Ireland ("FRS 102"), and applicable law).

Under company law the directors must not approve the Annual Report and Financial Statements unless they are satisfied that they give a true and fair view of the state of affairs of the Company and the profit or loss of the Company for that period.

In preparing the Annual Report and Financial Statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- state whether applicable United Kingdom Accounting Standards, comprising FRS 102 have been followed, subject to any material departures disclosed and explained in the Annual Report and Financial Statements; and
- prepare the Annual Report and Financial Statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the Company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Elgin Education (Aberdeenshire 2) Holdings Limited

Independent Auditor's Report to the Members of Elgin Education (Aberdeenshire 2) Holdings Limited

Opinion

We have audited the financial statements of Elgin Education (Aberdeenshire 2) Holdings Limited (the 'Company') for the year ended 31 March 2021 which comprises the Statement of Comprehensive Income, the Statement of Financial Position, the Statement of Changes in Equity 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 Company's affairs as at 31 March 2021, and of its result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for Opinion

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

Conclusions Relating to Going Concern

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

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

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

Elgin Education (Aberdeenshire 2) Holdings Limited

Independent Auditor's Report to the Members of Elgin Education (Aberdeenshire 2) Holdings Limited (continued)

Other Information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

Opinions on Other Matters Prescribed by the Companies Act 2006

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

- the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 Directors' Report.

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

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to take advantage of the small companies' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Elgin Education (Aberdeenshire 2) Holdings Limited

Independent Auditor's Report to the Members of Elgin Education (Aberdeenshire 2) Holdings Limited (continued)

Responsibilities of Directors

As explained more fully in the Directors' Responsibilities Statement set out on page 4, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in 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 an 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the 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:

- UK Companies Act; and
- UK Corporation taxes legislation.

We gained an understanding of how the group and 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 any relevant correspondence with regulatory bodies and board meeting minutes.

We assessed the susceptibility of the 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:

Elgin Education (Aberdeenshire 2) Holdings Limited

Independent Auditor's Report to the Members of Elgin Education (Aberdeenshire 2) Holdings Limited *(continued)*

- assessing the completeness of interest receivable via recalculation per agreements;
- 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;
- reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- enquiring of management and those charged with governance regarding the potential or known or suspected instances of non-compliance with laws and regulations, where they consider fraud is most likely to occur and extent of any litigation claims;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud; and
- 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.

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 risk 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.

Johnston Carmichael LLP
Irvine Spowart (Senior Statutory Auditor)
for and on behalf of Johnston Carmichael LLP

Chartered Accountants
Statutory auditor

6 October 2021

7-11 Melville Street
Edinburgh
EH3 7PE

Elgin Education (Aberdeenshire 2) Holdings Limited

Statement of Comprehensive Income

Year Ended 31 March 2021

	Note	2021 £	2020 £
Interest receivable and similar income	6	653,493	656,120
Interest payable and similar expenses	7	(653,493)	(656,120)
Profit before taxation		<u>-</u>	<u>-</u>
Tax on profit		-	-
Result for the financial year and total comprehensive income		<u>-</u>	<u>-</u>

All the activities of the Company are from continuing operations.

The notes on pages 12 to 17 form part of these Financial Statements.

Elgin Education (Aberdeenshire 2) Holdings Limited

Statement of Financial Position

As at 31 March 2021

	Note	2021 £	2020 £
Fixed assets			
Investments	8	500,000	500,000
Current assets			
Debtors: amounts falling due within one year	9	137,500	136,132
Debtors: amounts falling due after more than one year	9	4,674,313	4,674,313
		4,811,813	4,810,445
Creditors: amounts falling due within one year	10	(137,500)	(136,132)
Net current assets		4,674,313	4,674,313
Total assets less current liabilities		5,174,313	5,174,313
Creditors: amounts falling due after more than one year	11	(4,674,313)	(4,674,313)
Net assets		500,000	500,000
Capital and reserves			
Called up share capital	12	5,000	5,000
Share premium account	13	495,000	495,000
Retained earnings	13	—	—
Total shareholders' funds		500,000	500,000

The financial statements have been prepared and delivered in accordance with the provisions applicable to the small companies regime.

The Financial Statements were approved by the board of directors and authorised for issue on 5 October 2021, and are signed on behalf of the board by:

Gary Steven
Gary Steven (Oct 5, 2021 16:06 GMT+1)

G Steven
Director

Company registration number: SC259896

The notes on pages 12 to 17 form part of these Financial Statements.

Elgin Education (Aberdeenshire 2) Holdings Limited

Statement of Changes in Equity

Year Ended 31 March 2021

	Called up share capital £	Share premium account £	Retained earnings £	Total £
At 1 April 2019	5,000	495,000	—	500,000
Result for the financial year			—	—
At 31 March 2020	5,000	495,000	—	500,000
Result for the financial year			—	—
At 31 March 2021	<u>5,000</u>	<u>495,000</u>	<u>—</u>	<u>500,000</u>

The notes on pages 12 to 17 form part of these Financial Statements.

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements

Year Ended 31 March 2021

1. General information

Elgin Education (Aberdeenshire 2) Holdings Limited ("the Company") is a private company limited by shares and is incorporated and domiciled in Scotland. The address of its registered office is 11 Thistle Street, Edinburgh, EH2 1DF.

The principal activity of the Company is that of a Holding Company to Elgin Education (Aberdeenshire 2) Limited.

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

2. Statement of compliance

The individual financial statements of Elgin Education (Aberdeenshire 2) Holdings Limited have been prepared in compliance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, "The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland" ("FRS 102") and the Companies Act 2006 as applicable to companies subject to the small companies regime. The disclosure requirements of section 1A have been applied, other than where additional disclosure is required to show a true and fair view.

3. Accounting policies

(a) Basis of preparation

These financial statements are prepared on a going concern basis, under the historical cost convention.

The preparation of financial statements in conformity with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise its judgment in the process of applying the Company's accounting policies. The areas involving a higher degree of judgment or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed further in the accounting policies.

The accounting policies stated below have been consistently applied to the years presented, unless otherwise stated.

(b) Going concern

Cash flow forecasts are prepared for the underlying investment looking over the expected life of the asset and so including the 12 month period from the date the financial statements are signed. In drawing up these forecasts, the directors have made assumptions based upon their view of the current and future economic conditions, including the impact of Covid-19, that will prevail over the forecast period. The Company's cash flows are dependent on the performance of its investment. After reviewing the performance of the investment, which is done on a regular basis, the directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future. In light of this, the directors continue to adopt the going concern basis of accounting in preparing the Company's annual financial statements.

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2021

3. Accounting policies *(continued)*

(c) Disclosure exemptions

The Company has taken advantage of the exemption in FRS 102 Section 7 'Statement of Cash Flows' part 1B, which states that a small company is not required to prepare a cash flow statement.

The Company has also taken advantage of the exemption in section 33 of FRS 102 'Related Party Disclosures' that allows it not to disclose transactions with wholly owned members of a group.

(d) Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

(e) Judgements and key sources of estimation uncertainty

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the amounts reported. These estimates and judgements are continually reviewed and are based on experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

Accounting estimates and assumptions are made concerning the future and, by their nature, will rarely equal the related actual outcome. The key assumptions and other sources of estimation uncertainty are as follows:

i) Impairment of assets

The carrying value of those assets recorded in the Company's Statement of Financial Position, at amortised cost, could be materially reduced where circumstances exist which might indicate that an asset has been impaired and an impairment review is performed. Impairment reviews consider the fair value and or value in use of the potentially impaired asset or assets and compares that with the carrying value of the asset or assets in the Statement of Financial Position. Any reduction in value arising from such a review would be recorded in the Statement of Comprehensive Income. Impairment reviews involve the significant use of assumptions. Consideration has to be given as to the price that could be obtained for the asset or assets, or in relation to a consideration of value in use, estimates of the future cash flows that could be generated by the potentially impaired asset or assets, together with a consideration of an appropriate discount rate to apply to those cash flows.

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2021

3. Accounting policies *(continued)*

(f) Income tax

Taxation expense for the period comprises current and deferred tax recognised in the reporting period. Tax is recognised in the Statement of Comprehensive Income, except to the extent that it relates to items recognised in Other Comprehensive Income or directly in equity. In this case tax is also recognised in Other Comprehensive Income or directly in equity respectively.

Current or deferred taxation assets and liabilities are not discounted.

i) Current Tax

Current tax is the amount of income tax payable in respect of the taxable profit for the year or prior years. Tax is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the period end. The directors periodically evaluate positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

(g) Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

(h) Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

For the purposes of impairment testing, when it is not possible to estimate the recoverable amount of an individual asset, an estimate is made of the recoverable amount of the cash-generating unit to which the asset belongs. The cash-generating unit is the smallest identifiable group of assets that includes the asset and generates cash inflows that largely independent of the cash inflows from other assets or groups of assets.

4. Auditors remuneration

The audit fee of £1,000 (2020: £1,000) was borne by the subsidiary company Elgin Education (Aberdeenshire 2) Limited. Auditor's remuneration is payable to Johnston Carmichael LLP.

5. Particulars of employees and directors

The average number of persons employed by the company during the financial year, including the directors, amounted to nil (2020: nil). The directors, who are also key management personnel, did not receive any remuneration from the Company during the year (2020: £nil).

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2021

6. Interest receivable and similar income

	2021	2020
	£	£
Interest from Group undertakings	<u>653,493</u>	<u>656,120</u>

7. Interest payable and similar expenses

	2021	2020
	£	£
Interest due to Group undertakings	457,445	459,272
Subordinated debt interest payable	<u>196,048</u>	<u>196,848</u>
	<u>653,493</u>	<u>656,120</u>

8. Investments

	Shares in Group £
Cost	
At 1 April 2020 and 31 March 2021	<u>500,000</u>
Impairment	
At 1 April 2020 and 31 March 2021	<u>-</u>
Carrying amount	
At 31 March 2021	<u>500,000</u>
At 31 March 2020	<u>500,000</u>

The Company owns 100% of the issued share capital of Elgin Education (Aberdeenshire 2) Limited.

	2021	2020
	£	£
Aggregate capital and reserves	2,175,022	(70,817)
Profit for the year	575,392	778,436

On 15 July 2004, Elgin Education (Aberdeenshire 2) Limited signed a contract with Aberdeenshire Council to design, build, finance and operate and maintenance of six schools for 25 years.

The directors acknowledge the investment is in net liabilities, the cause of this is due to the derivative financial instruments being brought onto the Statement of Financial Position. The directors have reviewed the investments forecasts and projections and have reasonable expectation that no impairment indicators exist and the investment will continue in operation existence for the foreseeable future.

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2021

9. Debtors

Debtors amounts falling due within one year are as follows:

	2021	2020
	£	£
Amounts owed by Group undertakings	<u>137,500</u>	<u>136,132</u>

Debtors amounts falling due after more than one year are as follows:

	2021	2020
	£	£
Amounts owed by Group undertakings	<u>4,674,313</u>	<u>4,674,313</u>

The amounts owed by Group undertakings relate to subordinated debt and accrued interest on the debt due from Elgin Education (Aberdeenshire 2) Limited. The accrued interest of £137,500 (2020: £136,132) is interest free and is repayable on demand. The subordinated debt balance of £4,674,313 (2020: £4,674,313) bears interest at 14% per annum and is repayable in 2028.

10. Creditors: amounts falling due within one year

	2021	2020
	£	£
Amounts owed to Group undertakings	96,250	95,292
Accruals and deferred income	41,250	40,840
	<u>137,500</u>	<u>136,132</u>

Creditors amounts due within one year relates to interest due on subordinated debt balances.

11. Creditors: amounts falling due after more than one year

	2021	2020
	£	£
Amounts owed to Group undertakings	3,272,019	3,272,019
Subordinated debt	<u>1,402,294</u>	<u>1,402,294</u>
	<u>4,674,313</u>	<u>4,674,313</u>

Subordinated debt provided by Elgin Infrastructure Limited (70%) and Aberdeen Infrastructure (No.3) Limited (30%) bears interest at 14% per annum and is repayable in 2028, the total of which is after more than 5 years. The Coupon on the principal accrues daily and is payable quarterly. The investment sum was advanced under a subordinated loan agreement and is therefore unsecured, and would rank alongside ordinary creditors in the case of a winding up.

12. Called up share capital

Issued, called up and fully paid

	2021		2020	
	No.	£	No.	£
Ordinary shares of £0.01 each	<u>500,000</u>	<u>5,000</u>	<u>500,000</u>	<u>5,000</u>

Elgin Education (Aberdeenshire 2) Holdings Limited

Notes to the Annual Report and Financial Statements *(continued)*

Year Ended 31 March 2021

13. Reserves

Retained earnings - This reserve records retained earnings and accumulated losses.

Share premium account - This reserve records the amount above the nominal value received for shares sold, less transaction costs.

14. Contingent liabilities

The Company has granted a guarantee supported by a debenture incorporation fixed and floating charges over its assets and undertaking, in security of its wholly owned subsidiary's term loan from Bank of Scotland plc. Senior debt due to Bank of Scotland plc at the year end was £29,339,775 (2020: £31,583,731).

15. Related party transactions

During the year interest of £460,372 (2020: £459,272) was paid to Elgin Infrastructure Limited. Interest of £96,492 (2020: £95,292) was due to Elgin Infrastructure Limited at the year end.

During the year interest of £196,930 (2020: £196,848) was paid to Aberdeen Infrastructure Limited. Interest of £40,920 (2020: £40,840) was due to Aberdeen Infrastructure (No.3) Limited at the year end.

16. Controlling party

The company is owned 70% by Elgin Infrastructure Limited, which is jointly owned between Cobalt Project Investment Limited and Ednaston Project Investments Limited, and 30% by Aberdeen Infrastructure (No.3) Limited. There is no ultimate controlling party.