James Gillespie's Campus Subhub Limited

Report and Financial statements
For the year ended 31 March 2017

Company No. SC455364

Officers and professional advisers

Company registration number	SC455364
Registered office	Atholl House 51 Melville Street Edinburgh EH3 7HL
Directors	K Bradley A McCrorie P McGirk C Campbell G Sheret R Christie B Love P McVey R Park
Company Secretary	Galliford Try Secretariat Services Limited
Bankers	Barclays Bank Plc Unit 2 10-15 Princes Street Edinburgh EH2 2AN
Auditor	Scott-Moncrieff Chartered Accountants Exchange Place 3 Semple Street Edinburgh EH3 8BL

Strategic Report

The directors submit their strategic report, directors report and the audited financial statements for the year ending on 31 March 2017.

Principal activities and business review

The Company has been established to enter into a Design, Build, Finance and Maintain ("DBFM") concession contract with the City of Edinburgh Council. The DBFM contract involves the design, build and financing of the new James Gillespie's High School Campus in Edinburgh, together with the provision of certain facilities management services within the building over the lease period. The Project Agreement between the Company and the City of Edinburgh Council was signed on 9 December 2013.

As part of this contract, the Company has entered into a fixed-price sub-contract with Galliford Try Building Limited t/a Morrison Construction to design and build the facility. The construction of the campus was completed over 4 phases.

The Company has also entered into a sub-contract with Galliford Try Building Limited t/a Galliford Try Facilities Management for the provision of facilities management services within the school.

The DBFM project is being financed by a combination of senior and subordinated debt. Senior debt facilities of approximately £33.7m, provided by AVIVA and £3.1m of subordinated debt has been provided in instalments by equity shareholders to fund the construction of the campus.

The final handover of the school to the City of Edinburgh Council was achieved during year. The operating term of the DBFM contract is 25 years from the completion of the final phase in August 2016. The Company receives service payments from the City of Edinburgh Council from the date each phase became available. The construction and other related costs of building have been treated as an asset which will be repaid over the life of the contract.

Results and dividends

The results for the period are set out on page 9. The profit for the period amounted to £227,691 (2016: £192,388). The directors do not recommend payment of a dividend in respect of the period.

Principal risks and uncertainties

City of Edinburgh Council (the "Authority") is the sole client of the Company, but the directors consider that no risk arises from such a small client base since the Scottish Government has implicitly underwritten the Authority's obligations.

Most of the performance risk under the DBFM Agreement and related contracts is passed on to the subcontractors Morrison Construction and Galliford Try Facilities Management. The obligations of the service provider and building subcontractor are underwritten by respective parent company guarantees. The Company is exposed to the risk of non-performance by its subcontractors; however, penalties imposed by the Authority will be passed onto the subcontractor at fault under the terms of the subcontracts.

The life-cycle risk on the project is passed down to service provider Galliford Try Facilities Management.

Long-term project financing is in place for the duration of the concession. The funding fully amortises over the concession period leaving no refinancing risk.

Strategic Report

Financial risk management

In order to ensure stability of cash flows and hence manage interest rate risk the company has a policy of maintaining all its bank debt at a fixed rate.

The Company receives the bulk of its revenue from the Authority and is not exposed to significant credit risk. Cash investments are with institutions of a suitable credit quality.

Key Performance Indicators

The key performance of the Company is monitored from a cash perspective. The cash position at the year end is considered adequate. Now the construction of the school is complete and service payments are being received this will be assessed on a six monthly basis by the testing of the covenants of the senior debt provider. The key indicators are the debt service cover ratio and loan life cover ratio, which are as expected.

Future developments

The directors do not anticipate any changes in the Company's activities.

This report has been approved by the board on 11 September 2017 and signed on its behalf by:

P McGirk
Director

Report of the directors

Directors and their interests

The directors of the Company who held office during the period and to date are as follows:

J Hope	(resigned 31 July 2017)
K Bradley	
J Elliott	(resigned 5 October 2016)
A McCrorie	
P McGirk	
G Sheret	
B Love	
G Shirreff	(resigned 5 October 2016)
C Campbell	(appointed 5 October 2016)
R Christie	
P McVey	
R Park	(appointed 7 April 2016)

In accordance with the Company's Articles of Association, none of its directors are required to retire.

Statement of directors' responsibilities

The directors are responsible for preparing the Strategic report, Report of the directors and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial period. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Generally Accepted Accounting Practice, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice). The financial statements are required by law to 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 judgments and estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors confirm that they have complied with the above requirements in preparing the financial statements.

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.

Report of the directors

Disclosure of information to the auditor

To the knowledge and belief of each of the persons who are directors at the time the report is approved:

- So far as each director is aware, there is no relevant information of which the company's auditor is unaware; and
- He has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant information, and to establish that the company's auditor is aware of the information.

Auditor

The auditor, Scott-Moncrieff, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

This report has been approved by the board on 11 September 2017 and signed on its behalf by:

P McGirk
Director

Report of the independent auditor to the members of James Gillespie's Campus Subhub Limited

We have audited the financial statements of James Gillespie's Campus Subhub Limited for the year ended 31 March 2017 which comprise the Statement of Comprehensive Income, the Balance Sheet, the Statement of Changes in Equity, the Statement of Cash Flows and the related notes. 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).

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.

Respective responsibilities of the directors and the auditor

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. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practice Board's (APB's) Ethical Standards for Auditors.

Scope of the audit of the financial statements

A description of the scope of an audit of financial statements is provided on the Financial Reporting Council's web-site at www.frc.org.uk/auditscopeukprivate.

Opinion on financial statements

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2017 and of its 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.

Report of the independent auditor to the members of James Gillespie's Campus Subhub Limited

Opinion on other matter 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 Report of the directors for the financial year for which the financial statements are prepared is consistent with the financial statements and the Strategic Report and the Report of the directors has been prepared in accordance with the applicable legal requirements.

Matters on which we are required to report by exception

In light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatement in the Strategic Report or the Report of the directors.

We have nothing to report in respect of the following matters where 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.

Nick Bennett

Nick Bennett (Senior Statutory Auditor)
for and on behalf of Scott-Moncrieff
Statutory Auditor
Chartered Accountants
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Date: 13 September 2017

Statement of Comprehensive Income for the year ended 31 March 2017

	Note	Year ended 31 March 2017 £	Year ended 31 March 2016 £
Turnover		**4,252,014**	10,191,737
Cost of sales		**(4,065,790)**	(9,979,821
Gross profit		**186,224**	211,916
Administration expenses		**(89,263)**	(9,949)
Operating profit	3	**96,961**	201,967
Interest payable	4	**(2,249,902)**	(1,866,286)
Interest receivable	4	**2,380,632**	1,856,707
Profit on ordinary activities before taxation		**227,691**	192,388
Taxation	5	**-**	-
Retained profit for the year		**227,691**	192,388
Other comprehensive income		**-**	-
Total comprehensive income		**227,691**	192,388

All activities are continuing.

The notes form part of these financial statements

Balance Sheet as at 31 March 2017

	Note	2017 £	2016 £
Non-current assets			
Financial asset due in more than one year	6	**32,851,261**	30,098,217
Current assets			
Financial asset due in less than one year	6	**3,276,712**	2,972,493
Debtors	7	**24,982**	326,747
Cash and cash equivalents	8	**934,254**	4,060,910
		4,235,948	7,360,150
Current liabilities			
Creditors – amounts falling due within one year	9	**(1,623,575)**	(1,777,814)
Net current assets		**2,612,373**	5,582,336
Total assets less current liabilities		**35,463,634**	35,680,553
Creditors – amounts falling due after more than one year	10	**(34,701,805)**	(35,146,415)
Net Assets		**761,829**	534,138
Capital and reserves			
Called-up share capital	12	**100**	100
Profit and loss account	13	**761,729**	534,038
Equity shareholders' funds		**761,829**	534,138

The financial statements were authorised for issue by the board of directors on 11 September 2017 and signed on its behalf by:

Paul McGirk

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P McGirk
Director

Registered Number: SC455364

The notes form part of these financial statements

Statement of Changes in Equity for the year ended 31 March 2017

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
Balance at 1 April 2016	100	534,038	534,138
Total comprehensive income	-	227,691	227,691
Balance at 31 March 2017	100	761,729	761,829

Statement of Changes in Equity for the year ended 31 March 2016

	Called up share capital	Profit and loss account	Total Equity
	£	£	£
Balance at 1 April 2015	100	341,650	341,750
Total comprehensive income	-	192,388	192,388
Balance at 31 March 2016	100	534,038	534,138

The notes form part of these financial statements

Statement of Cash Flows for the year ended 31 March 2017

	2017	2016
	£	£
Cash flows from operating activities		
Profit for the financial year	**227,691**	192,388
Adjustments for:		
Non-cash revenue	**(3,946,201)**	(9,934,386)
Unitary charge received	**3,269,570**	2,380,683
Interest paid	**2,249,902**	1,866,286
Interest received	**(2,380,632)**	(1,856,707)
Taxation	**-**	-
Decrease in trade and other debtors	**301,765**	20,939
Decrease in trade creditors	**(475,840)**	(491,077)
Net cash generated from operating activities	**(753,745)**	(7,821,874)
Cash flows from financing activities		
Bank loans drawn	**-**	8,951,075
Bank loans repaid	**(689,997)**	-
Shareholder loans drawn	**516,398**	1,641,013
Interest paid	**(2,199,312)**	(1,866,286)
Loan arrangement and commitment fees paid	**-**	(17,642)
Net cash used in financing activities	**(2,372,911)**	8,708,160
Net increase in cash and cash equivalents	**(3,126,656)**	886,286
Cash and cash equivalents at the beginning of the year	**4,060,910**	3,174,624
Cash and cash equivalents at the end of the year	**934,254**	4,060,910

The notes form part of these financial statements

Notes to the Financial Statements

1 Principal accounting policies

(a) General information

The financial statements are presented in Pounds Sterling (GBP) and are rounded to the nearest whole pound. The financial statements cover the results for the year ended 31 March 2017. The continuing activities of the company continue to be to Design, Build and Finance the new James Gillespie school Campus together with the provision of certain facilities management services.

The company is limited by shares and was incorporated in Scotland. The registered office is:

Atholl House
51 Melville Street
Edinburgh
EH3 7HL

The company's registered number is SC455364

(b) Statement of compliance

The financial statements are prepared in accordance with United Kingdom Accounting Standards, including Financial Reporting Standard 102, 'The Financial Reporting Standard applicable in the United Kingdom and the Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice) issued by the Financial Reporting Council and the Companies Act 2006.

(c) Basis of preparation

These financial statements have been prepared in accordance with applicable United Kingdom accounting standards, including Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' (FRS102) (United Kingdom Generally Accepted Accounting Practice), and with the Companies Act 2006. The financial statements have been prepared on the historical cost basis.

The preparation of the financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 2).

The following accounting policies have been applied:

Notes to the Financial Statements

1 **Principal accounting policies (continued)**

(d) Going concern

During the year, the Company made a profit of £227,691 (2016: £192,388) and at the Balance Sheet date, its assets exceeded its liabilities by £761,829 (2016: £534,138). The financial statements have been prepared on the going concern basis which assumes that the company will continue in operational existence for the foreseeable future, being at least 12 months from the date of approval of these financial statements, for the following reasons:

- The balance of fixed price costs of the construction were fully paid during the year.
- The directors have prepared and approved cash flow forecasts for the full service concession term and based on this information the directors believe the Company will be able to meet all liabilities as they fall due.

The directors have thus formed the view that, at the time of approving the financial statements, the company will have adequate resources to continue in existence for the foreseeable future. Therefore, the directors consider the adoption of the going concern basis in preparing the financial statements to be appropriate.

If the company were unable to continue in operation for the foreseeable future, adjustments would have to be made to reduce the Balance Sheet values of assets to their recoverable amounts and to provide for further liabilities that might arise.

(e) Consolidation

James Gillespie's Campus Subhub Holdings Limited and James Gillespie's Campus Subhub Limited are included within the group accounts prepared by the parent undertaking, Hub South East Scotland Limited.

Notes to the Financial Statements

1 Principal accounting policies (continued)

(f) Financial asset

Construction and related costs of building the school, excluding interest costs and other costs of funding, are being treated as a financial asset (contract debtor) under the terms of FRS 102. The financial asset will be repaid over the life of the contract as service income is received from City of Edinburgh Council.

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

(g) Deferred taxation

The charge for taxation is based on the profit for the year and takes into account deferred taxation. Deferred taxation has been recognised as a liability or asset if transactions have incurred at the Balance Sheet date that give rise to an obligation to pay more tax in the future, or a right to pay less tax in the future. An asset is not recognised to the extent that the transfer of economic benefits in the future is uncertain. Deferred tax assets and liabilities recognised have not been discounted.

(h) Financial liabilities

A financial liability exists where there is a contractual obligation to deliver cash or another financial asset to another entity, or to exchange financial assets or financial liabilities under potentially unfavourable conditions. Finance costs and gains or losses relating to financial liabilities are charged to the Statement of Comprehensive Income. The carrying amount of the liability is increased by the finance cost and reduced by payments made in respect of that liability. Finance costs are calculated so as to produce a constant rate of charge on the outstanding liability.

(i) Interest

Interest and other costs of funding are charged to the Statement of Comprehensive Income.

Interest receivable on the financial asset is credited to the financial asset during the construction phase of the project and to the Statement of Comprehensive Income during the operational phase of the project.

(j) Debtors

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

(k) Cash and Cash Equivalents

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

Notes to the Financial Statements

1 Principal accounting policies (continued)

(l) Creditors

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

(m) Financial Instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other accounts receivable and payable, loans from banks and related parties.

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

2 Judgements in applying accounting policies and key sources of estimation uncertainty

The directors are satisfied that accounting policies are appropriate and consistently applied. There are no accounting estimates.

3 Operating profit

None of the directors received any remuneration as directors from the Company during the year. The company has no directly employed personnel (2016: none). The profit on ordinary activities is stated after charging auditor's remuneration of £4,500 (2016: £3,760) in respect of the audit of the company and its immediate parent, James Gillespie's Campus Subhub Holdings Limited. The auditor also received remuneration in respect of tax services of £1,550 (2016: £900).

Notes to the Financial Statements

4 Interest payable and receivable

	2016	2016
	£	£
Interest payable		
Bank loan interest payable	**(1,873,060)**	(1,687,380)
Interest on loans from parent undertaking	**(376,842)**	(178,906)
	(2,249,902)	(1,866,286)
Interest receivable		
Interest receivable on financial asset	**2,380,632**	1,856,707

5 Taxation

Factors affecting tax charge for the year
The current tax charge is lower than the amount calculated by applying the standard rate of UK corporation tax. The differences are explained below:

	2017	2016
	£	£
Profit on ordinary activities before tax	**227,691**	192,388
Profit on ordinary activities multiplied by the standard rate of corporation tax in the United Kingdom of 20% (2016: 20%)	**45,538**	38,478
Effects of:		
Fixed asset timing differences	**(45,538)**	(38,478)
Corporation tax charge for the year	**-**	-

Factors that may affect future tax charges
The gradual reduction in the corporation tax rate to 17% was announced in The Budget on 16 March 2016, and was subsequently enacted on 15 September 2016. This will reduce the company's future tax charge.

Notes to the Financial Statements

6 Financial asset

	2017	2016
	£	£
Cost		
At 1 April 2016	**35,264,758**	23,647,368
Additions during the year:		
Net interest receivable	**2,380,632**	1,856,707
Construction and related costs	**3,643,123**	9,760,683
At 31 March 2017	**41,288,513**	35,264,758
Repayment		
At 1 April 2016	**(2,194,048)**	12,932
Unitary charge income	**(3,269,570)**	(2,380,683)
Operational revenue recognised	**303,078**	173,703
At 31 March 2017	**(5,160,540)**	(2,194,048)
Closing balance at 31 March 2017	**36,127,973**	33,070,710
Financial asset – due for amortisation within one year	**3,276,712**	2,972,493
Financial asset – due for amortisation after one year	**32,851,261**	30,098,217
	36,127,973	33,070,710

Variable economic and market conditions are mitigated by the hedging of income and costs through the payment mechanism agreement. Any performance deductions which may be incurred against future unitary payments are passed on to the service provider leaving no net effect in the company.

7 Debtors

	2017	2016
	£	£
Amounts falling due within one year		
Trade debtors	**-**	277,815
Accrued income & other debtors	**24,982**	3,006
VAT recoverable	**-**	45,926
	24,982	326,747

8 Cash and cash equivalents

	2017	2016
	£	£
Current accounts	**934,254**	4,060,910

Notes to the Financial Statements

9 Creditors - amounts falling due within one year

	2017	2016
	£	£
Amounts falling due within one year		
Bank loan	**994,063**	689,998
Amounts owed to immediate parent company – subordinated debt	**35,217**	17,681
Amounts owed to immediate parent company – accrued interest	**276,982**	-
Trade creditors	**-**	6,156
Amounts owed to related parties	**129,830**	592,506
Accruals	**40,730**	471,473
Corporation tax creditor	**-**	-
VAT creditor	**146,753**	-
	1,623,575	1,777,814

10 Creditors - amounts falling due after more than one year

	2017	2016
	£	£
Amounts falling after more than one year		
Bank loan	**31,146,026**	32,089,498
Amounts owed to immediate parent company	**3,555,779**	3,056,917
	34,701,805	35,146,415

The term loan facility is provided by AVIVA. The full facility is £33,704,954 has been drawn over the construction period of the school. The term loan is repayable in instalments commencing on 30 September 2016 and ending on 30 June 2040.

Interest is charged on the term loan at a fixed rate. The fixed rate is 5.4%. The loan is disclosed net of unamortised issue costs of £874,867 (2016: £925,457).

The Company has received £1,252,425 in the form of fixed rate subordinated loan notes from James Gillespie's Campus Subhub Holdings Limited in 2013/14. An additional £1,462,108 of fixed rate subordinated loan notes were drawn down in 2015/16 and £416,538 in 2016/17. The loan is stated at amortised cost, using the effective interest rate method. Interest is payable at a rate of 10.87% until the final redemption date of 31 March 2038. The loan notes are unsecured, fully subordinated to the term loan and are repayable in instalments commencing on 31 March 2017 and ending on 31 March 2038. Loan interest of £376,842 (2016: £178,906) has been charged for the year. Of this £99,860 (2016: £178,906) has been rolled up in the balance due, to give a total rolled up interest of £459,925 (2016: £360,065) at the year end.

Notes to the Financial Statements

10 Creditors - amounts falling due after more than one year (continued)

The term loan is secured by way of a fixed and floating charges over the assets of the company and security over the company's interest in the service concession arrangement with Edinburgh City Council in favour of AVIVA (as security trustee).

The term loan and subordinated loan notes loan are repayable as follows:

	2017	2016
	£	£
Less than one year	**1,079,503**	707,679
Between one and two years	**1,127,851**	1,079,503
Between two and five years	**3,649,015**	3,512,349
After 5 years	**30,749,583**	31,480,020
	36,605,952	36,779,551
Capital instrument charges	**(874,867)**	(925,457)
	35,731,085	35,854,094

11 Financial Instruments

	2017	2016
	£	£
Financial assets		
Cash and cash equivalents	**934,254**	4,060,910
Financial assets measured at amortised cost	**24,982**	280,821
	959,236	4,341,731
Financial liabilities		
Financial liabilities measured at amortised cost	**36,178,627**	36,924,229

Financial asset measured at amortised costs include trade debtors and other debtors.

Financial liabilities measured at amortised cost include bank loans, amounts due to immediate parent company, trade creditors, amounts owed to related parties and accruals.

There are no financial assets or financial liabilities held at fair value.

12 Called up share capital

	2017	2016
	£	£
Allotted, issued and fully paid		
100 ordinary shares of £1 each	**100**	100

All issued shares rank pari passu with each other, with one vote for each share and an equal right to dividends.

Notes to the Financial Statements

13 Reserves

The profit and loss reserves includes all current and prior period retained profit and losses.

14 Related party transactions

The company's related parties, and the extent of transactions with them during the year ended 31 March 2017 are set out below.

	Purchases from related parties 2017	**Amounts owed to related parties 2017**	Purchases from related parties 2016	Amounts owed to related parties 2016
	£	**£**	£	£
Galliford Try Investments Limited	**6,952**	**-**	88,133	-
Galliford try Investments Consultancy Limited	**86,442**	**18,000**	21,805	-
Galliford Try Building Limited t/a Morrison Construction	**3,545,686**	**-**	8,726,102	503,811
PPDI Assetco Limited	**2,434**	**3,058**	2,697	71,760
Galliford Try Building Limited t/a Galliford Try Facilities Management	**292,643**	**108,772**	136,277	16,935
Aecom Limited	**-**	**-**	56,349	-
Total	**3,934,157**	**129,830**	9,031,363	592,506

Galliford Try Investments Limited and Galliford Try Investments Consultancy Services Limited are wholly owned subsidiaries of Galliford Try Plc, and Galliford Try Investments Limited owns a stake in Hub South East Scotland Limited (which is a joint venture) via SPACE Scotland Limited (which is a joint venture). Galliford Try Investments Consultancy Services Limited provides operational and financial concession management services to the Company.

Galliford Try Building Limited (t/a Morrison Construction) is a wholly owned subsidiary of Galliford Try Plc and has entered a building sub-contract with the Company. Galliford Try Facilities Management is a trading name of Galliford Try Building Limited.

PPDI Assetco Limited owns Dormy Hub Investments LLP which owns a stake in Hub South East Scotland Limited via SPACE Scotland Limited.

During the year until 31 March 2017 the company incurred an interest charge of £376,842 (2016: £178,906) in respect of subordinated loans totalling £3,131,071 (2016: £2,714,533) received from its immediate parent James Gillespie's Campus Subhub Holdings Limited. As at 31 March 2017, £459,925 (2016: £360,065) remains payable to James Gillespie's Campus Subhub Holdings Limited in respect of rolled up interest. This is anticipated by the loan note instrument and the interest was rolled up into the loan balance while the asset was in construction. In addition, £276,982 (2015: £nil) of accrued interest is due to James Gillespie's Campus Subhub Holdings Limited and this is included in creditors.

In addition, £276,982 (2015: £nil) of accrued interest is due to James Gillespie's Campus Subhub Holdings Limited and this is included in creditors.

Notes to the Financial Statements

15 Immediate and ultimate parent undertaking

The Company is a wholly owned subsidiary of James Gillespie's Campus Subhub Holdings Limited which is incorporated in Great Britain and registered in Scotland. Copies of James Gillespie's Campus Subhub Holdings Limited financial statements can be obtained from 51 Melville Street, Edinburgh, EH3 7HL.

The immediate parent company of James Gillespie's Campus Subhub Holdings Limited is Hub South East Scotland Limited. The Directors consider there to be no ultimate controlling party.

16 Committed expenditure

As at 31 March 2017, the company has committed to expenditure of £nil (2016: £3,525,697) in respect of the James Gillespie's Campus.