



Scott-Moncrieff
business advisers and accountants

with **Campbell Dallas**
a division of

HUB NORTH SCOTLAND (I&F) LIMITED
REPORT AND FINANCIAL STATEMENTS
YEAR ENDED 30 JUNE 2019
COMPANY NUMBER: SC521321

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HUB NORTH SCOTLAND (I&F) LIMITED

CONTENTS

	Page
Company Information	1
Directors' Report	2 – 3
Independent Auditor's Report	4 – 6
Statement of Income and Retained Earnings	7
Balance Sheet	8
Notes to the Financial Statements	9 - 17

HUB NORTH SCOTLAND (I&F) LIMITED

**COMPANY INFORMATION
FOR THE YEAR ENDED 30 JUNE 2019**

Directors

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

Registered number

SC521321

Registered office

PO Box 17452
2 Lochside View
Edinburgh
EH12 1LB

Independent auditor

Scott-Moncrieff Audit Services
25 Bothwell Street
Glasgow
G2 6NL

Solicitors

Harper MacLeod LLP
Citypoint
65 Haymarket Terrace
Edinburgh
EH12 5HD

Bankers

Clydesdale Bank Plc
154-158 Kensington High Street
London
W8 7RL

HUB NORTH SCOTLAND (I&F) LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 30 JUNE 2019

The directors present their report and the audited financial statements of the company for the year ended 30 June 2019.

Principal activity

The principal activity of the company is the design, construction, financing and maintenance of Foresterhill Health Centre, Inverurie Health Centre and Inverurie Energy Centre.

Directors

The directors who served during the year and up to the date of signing these financial statements were:

Andrew Duck (appointed 11 April 2019)
Nial Gemmell
David MacDonald
Gavin MacKinlay (resigned 11 April 2019)
Paul McGirk
Philip McVey
Kirsty O'Brien

Directors' Responsibilities Statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with applicable law and United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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

Disclosure of information to the auditor

Each of the persons who are directors at the time when this Directors' Report is approved has confirmed that:

- so far as the directors are aware, there is no relevant information of which the auditor is unaware; and
- the directors have taken all the steps that ought to have been taken as a director in order to be aware of any relevant audit information and to establish that the auditor is aware of that information.

HUB NORTH SCOTLAND (I&F) LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Post balance sheet events

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

Auditor

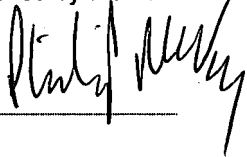
Scott-Moncrieff Audit Services were appointed during the year.

The auditor, Scott-Moncrieff Audit Services, will be proposed for reappointment in accordance with Section 485 of the Companies Act 2006.

Small companies' exemptions

In preparing this report the directors have taken advantage of the small companies' exemptions provided by Section 415A of the Companies Act 2006.

This report as approved by the board on 29/11/19 and signed on its behalf by:



Philip McVey
Director

HUB NORTH SCOTLAND (I&F) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (I&F) LIMITED ON THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

Opinion

We have audited the financial statements of Hub North Scotland (I&F) Limited ('the company') for the year ended 30 June 2019, which comprise the Statement of Income and Retained Earnings, the Balance Sheet, and the notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2019 and of the company's loss for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice applicable to Small Entities; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

Basis for opinion

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

Conclusions relating to going concern

We have nothing to report in respect of the following matters in relation to which the ISAs (UK) require us to report to you where:

- the directors' use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the directors have not disclosed in the financial statements any identified material uncertainties that may cast significant doubt about the company's ability to continue to adopt the going concern basis of accounting for a period of at least twelve months from the date when the financial statements are authorised for issue.

Other information

The directors are responsible for the other information. The other information comprises the information included in the Annual Report, other than the financial statements and our Auditor's Report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

HUB NORTH SCOTLAND (I&F) LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (I&F) LIMITED ON THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

Opinion on other matters prescribed by the Companies Act 2006

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

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

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

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

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

Responsibilities of the directors

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

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

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an Auditor's Report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. The description forms part of our Auditor's Report.

HUB NORTH SCOTLAND (I&F) LIMITED

**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF HUB NORTH SCOTLAND (I&F) LIMITED
ON THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members, as a body, those matters we are required to state to them in an Auditor's Report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members, as a body, for our audit work, for this report, or for the opinions we have formed.

Scott-Moncrieff

James McBride (Senior Statutory Auditor)
for and on behalf of
Scott-Moncrieff Audit Services, Statutory Auditor
25 Bothwell Street
Glasgow
G2 6NL

Date: *29 November 2019*

HUB NORTH SCOTLAND (I&F) LIMITED

**STATEMENT OF INCOME AND RETAINED EARNINGS
FOR THE YEAR ENDED 30 JUNE 2019**

		2019	2018
		£	£
	Note		
Turnover	4	823,830	9,184,510
Cost of sales		(779,882)	(9,129,320)
Gross profit		43,948	55,190
Administrative expenses		(10,567)	(42,346)
Operating profit	5	33,381	12,844
Interest receivable and other income	7	906,786	735,922
Interest payable and expenses	8	(955,998)	(754,544)
Loss before tax		(15,831)	(5,778)
Tax credit on loss	9	-	1,134
Loss after tax		(15,831)	(4,644)
Loss for the year		(15,831)	(4,644)
Retained earnings at the beginning of the year		37,160	41,804
Retained earnings at the end of the year		21,329	37,160

There were no recognised gains and losses for 2019 and 2018 other than those included in the Statement of Income and Retained Earnings.

The notes form part of these financial statements.

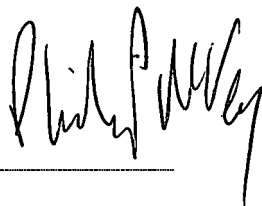
HUB NORTH SCOTLAND (I&F) LIMITED

BALANCE SHEET AS AT 30 JUNE 2019

			2019	Restated 2018
	Note	£	£	£
Non-current assets				
Financial asset due after more than 1 year	10		21,230,015	21,678,355
Current assets				
Financial asset due within 1 year	10	695,307		653,393
Debtors	11	207,756		135,121
Cash at bank and in hand	12	342,212		457,256
		1,245,275		1,245,770
Creditors: amounts falling due within one year	13	(1,019,200)		(758,914)
Net current assets			226,075	486,856
Total assets less current liabilities			21,456,090	22,165,211
Creditors: amounts falling due after more than one year	14		(21,433,761)	(22,127,051)
Net assets			22,329	38,160
Capital and reserves				
Called up share capital	15		1,000	1,000
Profit and loss account	16		21,329	37,160
			22,329	38,160

The financial statements have been prepared in accordance with the provisions application to companies subject to the small companies' regime and in accordance with the provisions of FRS 102 Section 1A - Small Entities within Part 15 of the Companies Act 2006.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on 29/11/19 by:



Philip McVey
Director

Company number: SC521321

The notes form part of these financial statements.

HUB NORTH SCOTLAND (I&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2019

1. General information

The company is a private company limited by shares and is incorporated in Scotland, UK. The company's registered office and company number are disclosed on the company information page of these financial statements. The company's principal activity is as described in the Directors' Report.

The functional currency used to prepare the financial statements is GBP and they are rounded to the nearest pound.

2. Accounting policies

2.1 Basis of presentation of financial statements

The financial statements have been prepared under the historical cost convention unless otherwise specified within these accounting policies and in accordance with applicable law and United Kingdom Accounting Standards including Section 1A of Financial Reporting Standard 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (United Kingdom Generally Accepted Accounting Practice applicable to Small Entities).

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

The following principal accounting policies have been applied:

2.2 Going concern

The company has prepared financial projections which indicate that sufficient funds will be generated to allow ongoing obligations to be met as they fall due. The directors are therefore satisfied that the going concern basis is appropriate. The directors have considered a period of at least 12 months from the date of approval of the financial statements.

2.3 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from a contract to provide services is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred or to be incurred to complete the contract can be measured reliably.

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

2. Accounting policies (continued)

2.4 Interest receivable

Interest receivable is recognised in the Statement of Income and Retained Earnings using the effective interest method.

2.5 Finance costs

Finance costs are charged to the Statement of Income and Retained Earnings over the term of the debt using the effective interest method so that the amount charged is at a constant rate on the carrying amount. Issue costs are initially recognised as a reduction in the proceeds of the associated capital instrument.

Finance costs that relate directly to the construction of the asset are capitalised as part of the cost of the asset. Capitalisation of finance costs ceases when the construction of the asset is completed.

2.6 Taxation

Tax is recognised in the Statement of Income and Retained Earnings, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the Balance Sheet date in the UK where the company operates and generates income.

2.7 Financial asset

Construction and related costs of the school, excluding interest costs and other costs of funding, are being treated as a financial asset under the terms of FRS 102. The financial asset will be repaid over the life of the contract as service income is received from Grampian Health Board.

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 Grampian Health Board, the financial asset is amortised over the life of the contract against the relevant portion of the contracted income. The proportion of the financial asset to be amortised against contracted income receivable within one year is classified as a current asset and the remainder non current.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

2.8 Debtors

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

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

2. Accounting policies (continued)

2.9 Cash and cash equivalents

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

2.10 Creditors

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

2.11 Financial instruments

The company enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties.

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

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the Statement of Income and Retained Earnings.

For financial assets measured at amortised cost, the impairment loss is measured as the difference between an asset's carrying amount and the present value of estimated cash flows discounted at the asset's original effective interest rate. If a financial asset has a variable interest rate, the discount rate for measuring any impairment loss is the current effective interest rate determined under the contract.

For financial assets measured at cost less impairment, the impairment loss is measured as the difference between an asset's carrying amount and best estimate of amounts recoverable, which is an approximation of the amount that the company would receive for the asset if it were to be sold at the Balance Sheet date.

Financial assets and liabilities are offset and the net amount reported in the Balance Sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019

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

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

The financial asset is a long term asset. The amount allocated to current assets is the expected net movement in the following year.

4. Turnover

All turnover arose within the United Kingdom.

	2019 £	2018 £
Turnover		
Construction income	246,967	9,092,199
Service income	257,250	63,311
Passthrough income	319,613	29,000
	<u>823,830</u>	<u>9,184,510</u>

5. Operating profit

The operating profit is stated after charging:

Fees payable to the company's auditor for the audit of the company's annual financial statements

2019 £	2018 £
3,665	2,950

Fees payable to the company's auditor and its associates for other services

2019 £	2018 £
- Accountancy fees	1,260
- Taxation compliance services	735
- Other taxation services	-
	<u>2,250</u>
	<u>875</u>
	<u>515</u>

6. Employees

The company has no employees (2018: nil) other than the directors, who did not receive any remuneration (2018 - £nil).

7. Interest receivable and similar income

	2019 £	2018 £
Interest receivable on financial asset	906,501	735,922
Bank interest	285	-
	<u>906,786</u>	<u>735,922</u>

HUB NORTH SCOTLAND (I&F) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
8. Interest payable and similar charges		
Interest on senior debt loan	741,743	661,326
Interest on subordinated debt loans from related parties	214,255	93,218
	<u>955,998</u>	<u>754,544</u>

	2019 £	2018 £
9. Taxation		
Corporation tax		
Adjustments in respect of previous periods	-	(1,134)
Total current tax credit on ordinary activities	<u>-</u>	<u>(1,134)</u>

Factors affecting the tax credit for the year:

The tax assessed for the year is lower than (2018 – *higher than*) the standard rate of corporation tax in the UK of 19% (2018 - 19%). The differences are explained below:

	2019 £	2018 £
Loss on ordinary activities before tax	<u>(15,831)</u>	<u>(5,778)</u>
Loss on ordinary activities multiplied by standard rate of corporation tax in the UK of 19% (2018 - 19%)	(3,008)	(1,098)
Effects of:		
Losses carried back	-	1,098
Adjustment to tax charge in respect of prior periods	317	(1,134)
Deferred tax not recognised	2,691	-
Total tax credit for the year	<u>-</u>	<u>(1,134)</u>

Reconciliation of corporation tax liability

Opening balance	1,134	(10,207)
(Repayment)/payment in the year	(1,134)	10,207
Adjustment to tax charge in respect of prior periods	-	1,134
Closing balance	<u>-</u>	<u>1,134</u>

Factors that may affect future tax charge

Reductions in the UK corporation tax rate from 19% to 18% (effective 1 April 2020) were substantively enacted on 26 October 2015. A further reduction to 17% (effective 1 April 2020) was substantively enacted on 6 September 2016. This will reduce the company's future tax charge accordingly.

HUB NORTH SCOTLAND (I&F) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

	2019 £	2018 £
10. Financial Asset		
Opening balance 1 July 2018	22,331,748	12,705,906
Net interest receivable	906,501	735,922
Construction costs less capital contributions	246,967	9,092,199
Unitary charge income	(1,817,144)	(265,590)
Operational revenue recognised	257,250	63,311
Closing balance 30 June 2019	21,925,322	22,331,748
Financial asset due within one year	695,307	653,393
Financial asset due after more than one year	21,230,015	21,678,355
	21,925,322	22,331,748
11. Debtors	2019 £	2018 £
Trade debtors	76,258	33,201
Other debtors	-	9,153
Prepayments and accrued income	131,498	92,767
	207,756	135,121
12. Cash and cash equivalents	2019 £	2018 £
Cash at bank and in hand	342,212	457,256
	342,212	457,256
13. Creditors: Amounts falling due within one year	2019 £	Restated 2018 £
Senior debt loan	679,233	476,683
Amounts owed to related parties - subordinated debt loans	14,057	4,209
Amounts owed to related parties - accrued interest	49,089	-
Trade creditors	46,317	46,806
Accruals	147,071	225,544
VAT creditor	83,433	5,672
	1,019,200	758,914

HUB NORTH SCOTLAND (I&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

	2019 £	Restated 2018 £
14. Creditors: Amounts falling due after more than one year		
Senior debt loan	19,511,026	20,190,259
Amounts owed to related parties - subordinated debt loans	1,922,735	1,936,792
	<u>21,433,761</u>	<u>22,127,051</u>

Secured creditors

The senior debt loan represents a loan from Aviva Public Private Finance Limited which is secured by way of a fixed and floating charge over the assets of the company. The total loan facility is for £20,875,168.

The subordinated loan represents loans from entities that are shareholders of the immediate parent, Hub North Scotland (I&F) Holdings Ltd. The loans are repayable in half yearly instalments which commenced in March 2019 with the final repayment due in March 2044. The loans are unsecured and bear interest at a rate of 10.2%.

Creditors due after 5 years

Creditors include amounts repayable by instalment that are not wholly repayable within 5 years of £18,533,150 (2018 – £19,279,466).

In 2018 the senior debt loan due within less than one year was disclosed as £313,819 and the amount due after more than one year was disclosed as £20,353,123 however, this aging split was incorrect. It has been corrected in the current year's financial statements as a restatement.

	2019 £	2018 £
15. Share capital		
Allotted, called up and fully paid		
1,000 (2018 – 1,000) ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

Each share holds equal voting rights and ranks equally in respect of distributions.

16. Reserves

Profit and loss account

The profit and loss account represents cumulative profits and losses.

HUB NORTH SCOTLAND (I&F) LIMITED

**NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)
FOR THE YEAR ENDED 30 JUNE 2019**

17. Related party transactions

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

	Purchases 2019 £	Purchases 2018 £	Amounts outstanding 2019 £	Amounts outstanding 2018 £
ACP: North Hub Limited (1)	74,222	316,959	6,499	6,987
Hub North Scotland Limited (2)	1,585	304,988	-	1,330
Galliford Try Investments Limited (3)	-	22,467	-	-
Currie & Brown UK Limited (4)	12,526	175,790	1,200	8,495
Equitix Fund IV LP (5)	-	18,723	-	-
Galliford Try Building Limited T/A Morrison Construction (3)	337,438	24,070,854	156,959	211,287
	<u>425,771</u>	<u>24,909,781</u>	<u>164,658</u>	<u>228,099</u>

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

	Invoiced 2019 £	Invoiced 2018 £	Debtors 2019 £	Debtors 2018 £
Grampian Health Board (1)	2,072,978	198,843	48,757	29,626
Galliford Try Building Limited T/A Morrison Construction (3)	26,002	2,979	27,501	3,575
	<u>2,098,980</u>	<u>201,822</u>	<u>76,258</u>	<u>33,201</u>

Subordinated Debt

	Interest Charge 2019 £	Interest Charge 2018 £	Subordinated debt 2019 £	Subordinate d debt 2018 £
Scottish Futures Trust Investments Limited (1)	21,425	16,932	193,679	194,100
Grampian Health Board (1)	21,425	16,932	193,679	194,100
HCF Investments Limited (1)	42,851	33,864	387,360	388,200
Currie & Brown Equitix Limited (6)	64,277	12,745	581,037	582,300
Galliford Try (North Hub) Investments Limited (6)	64,277	12,745	581,037	582,300
	<u>214,255</u>	<u>93,218</u>	<u>1,936,792</u>	<u>1,941,000</u>

HUB NORTH SCOTLAND (I&F) LIMITED

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED) FOR THE YEAR ENDED 30 JUNE 2019

17. Related party transactions (continued)

	Accrued interest 2019 £	Accrued interest 2018 £
Scottish Futures Trust Investments Limited (1)	4,909	-
Grampian Health Board (1)	4,909	-
HCF Investments Limited (1)	9,817	-
Currie & Brown Equitix Limited (6)	14,727	-
Galliford Try (North Hub) Investments Limited (6)	14,727	-
	<u>49,089</u>	<u>-</u>

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

18. Controlling party

The immediate parent company is Hub North Scotland (I&F) Holdings Limited. ACP: North Hub Limited is the majority shareholder of Hub North Scotland (I&F) Holdings Limited but, in the opinion of the directors, is not considered to be the controlling party. The directors consider there to be no ultimate controlling party.

19. Capital commitments

As at 30 June 2019, the company has committed expenditure of £nil (2018 - £229,028).