Hub Community Foundation SCIO

Charity number SC046192

Trustees’ Report and Financial Statements

Year Ended 31 December 2025

Contents

Reference and administrative information

Trustees

Registered Office

C/o Galliford Try Investments Consultancy Services
2nd Floor
2 Lochside View
Edinburgh
EH12 9DH

Charity Number

SC046192

Auditors

Henderson Loggie LLP
The Stamp Office
Level 5, 10-14 Waterloo Place
Edinburgh
EH1 3EG

Bankers

The Royal Bank of Scotland plc
36 St Andrew Square
Edinburgh
EH2 2AD

Solicitors

Burness Paull
2 Atlantic Square
31 York Place
Glasgow
G2 8AS

Trustees' report

Objectives and activities

The Trustees present their annual report and financial statements for Hub Community Foundation ('HCF') for the year ended 31 December 2025. The financial statements have been prepared in accordance with the accounting policies set out in note 1 to the accounts and comply with HCF's constitution, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)".

HCF's Charitable Objectives, as established in its Constitution, are:

- the relief and prevention of poverty through relieving unemployment; and in particular by assisting in the provision of apprenticeships, training and/or work experience directed towards assisting people to access long-term employment;
- the advancement of education;
- the advancement of health;
- the provision of recreational facilities with the object of improving the conditions of life for the persons for whom the facilities or activities are primarily intended; and
- the relief of those in need by reason of age, ill-health, disability, financial hardship or other disadvantage.

On its formation in December 2015, HCF was granted the rights (but not the obligation) to invest up to 20% of the share capital and subordinated debt in new privately financed community infrastructure projects that form part of the hub programme.

Achievements and performance

During the year under review HCF, with support from Inspiring Scotland ("IS"), has continued to support the Charities selected to receive funding through HCF's Building Brighter Futures Fund ("BBFF").

A further £471,767 was given to Charities in the year, making a total of £3,342,927 to 31 December 2025.

Reflecting the downturn in the economy in general, support for disadvantaged young people who are furthest from education, training and the labour market is more important than ever. With the need for continuity and impact, the Trustees decided in early 2024 that a further invitation should be extended to the 8 supported charities to apply for additional funding through to 2026 to help them continue their great work, which in turn supports areas aligned with BBFF's objectives. Further, IS identified an additional 2 charities who it was felt could provide additional impact in meeting HCF's key objectives.

Since the launch of BBFF 5,562 young people have benefitted from these funds, with 6,717 certified qualifications completed. There have also been 8,246 employability outcomes achieved, which include volunteering, training and reengagement with education. IS have advised that young persons are needing ever more support as funding from government continues to reduce. These are, in the Trustees' opinion, important achievements.

IS provides ongoing monitoring and support to each of the Charities and reports formally to the HCF Trustees on a quarterly basis on the performance of the Charities and the outcomes achieved.

Trustees' report *(continued)*

Achievements and performance *(continued)*

In the 12 months to 31 December 2025 HCF has not invested in any new hub projects. However, the projects currently invested generate sufficient funds through subordinated debt returns to allow HCF to meet its day-to-day running costs.

Whilst HCF is entitled to dividends from its investments, by the very nature of the underlying projects, these dividends are likely to be unpredictable in terms of timing and amount. Based on current estimates, it is likely to be more than 10 years before any substantial sums come through. The Trustees are acutely aware of this and are considering a number of alternatives to ensure ongoing viability.

As at 31 December 2025, £800,000 in subordinated debt had been invested in 4 projects thereby completing this strand of HCF's current investment strategy.

To date, capital and interest of £527,898 has been received on these Loans.

In the year under review, dividends of £140,413 were received from investments.

Financial review

HCF has posted a loss of £345,778 for the year.

In the absence of new revenue funded Projects coming on stream through the Hub initiative and reserves being deployed to meet charitable objectives, the Trustees recognised that the current programme of charitable giving has a limited lifespan and continue to explore alternatives.

Current commitments under BBFF are well covered and through prudent management we expect HCF to continue to remain in good financial health, whilst meeting its key charitable objectives in the short to medium term.

Risk management

HCF places great importance and priority on ensuring that all aspects of daily operations are conducted within its risk appetite and through the active monitoring and mitigation of key risks. Key risks identified and mitigating actions for these are as follows:

Fraud

- An appropriate division of responsibilities has been put in place towards the banking and accounting arrangements of HCF.
- The Trustees continued to meet as required via conference call and virtual meetings.

Plans for future periods

Factors including the effect of "cost of living crisis" have continued to have a substantial effect on the health and financial situation of the underlying communities that BBFF supports, in particular young people.

A further £239,323 is due to be paid to the 10 Charities benefiting from BBFF during 2026.

HCF's current Agreement with Inspiring Scotland expires in June 2026 but there are no current plans to extend this.

Trustees' report *(continued)*

Reserves policy

At the year end, the Charity held £1,537,424 (*2024: £1,883,202*) of unrestricted funds that were not designated for other purposes. The reserves policy will be reviewed and refined regularly by the Trustees in light of investment performance. The Trustees reserves policy will hold a general fund for the purposes of granting the funds to eligible organisations. The reserves policy also allows for a designated fund to be reserved, but not distributed, which will hold any changes in the value of investments.

Structure governance and management

HCF is a registered Scottish Charitable Incorporated Organisation ('SCIO'), charity number SC046192.

The board of Trustees has the ultimate decision-making powers and Trustees are recruited and appointed in line with the constitution. All Trustees receive an induction from the existing Trustees. If the individual has never served on a Board (or similar) before, appropriate training would also be undertaken.

The Charities and Trustee Investment (Scotland) Act 2005 bestows a duty on each Trustee, in exercising functions as a charity trustee, to act in the interests of the charity, and, in particular must:

- seek, in good faith, to ensure that the charity acts in a manner which is in accordance with its purposes;
- act with the care and diligence which it is reasonable to expect of a person who is managing the affairs of another person; and
- ensure that HCF complies with any direction, requirement, notice or duty.

The trustees who served during the year and up to the date of signature of the financial statements were:

A D Bruce
G P Farley
F Gillespie
W J Mackintosh
A Munro

Trustees' report *(continued)*

Trustees' responsibilities in relation to the financial statements

The Trustees are responsible for preparing a Trustees' annual report and financial statements in accordance with applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

The law applicable to charities in Scotland requires the Trustees to prepare financial statements for each period which give a true and fair view of the state of affairs of the charity and of the incoming resources and application of resources for that period.

In preparing the financial statements, the Trustees are required to:

- select suitable accounting policies and then apply them consistently;
- observe the methods and principles in the Charities SORP (FRS 102);
- make judgements and estimates that are reasonable and prudent;
- state whether applicable accounting standards have been followed, subject to any material departures disclosed and explained in the financial statements and;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the charity will continue in operation.

The Trustees are responsible for keeping proper accounting records that disclose with reasonable accuracy at any time the financial position of the charity and to enable them to ensure that the financial statements comply with the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006 (as amended), and the provisions of the charity's Constitution They are also responsible for safeguarding the assets of the charity and taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Trustees are responsible for the maintenance and integrity of the charity and financial information included on the charity's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Disclosure of information to auditors

At the time of approving this report, the Trustees are aware of no relevant audit information of which the auditors are unaware and have taken all steps that they ought to have taken, as a Trustee, in order to make themselves aware of any relevant audit information and to establish that the auditors are aware of that information.

Approved by the Trustees and signed on their behalf by:

Bill Mackintosh
Bill Mackintosh - 2026-07-27, 17:01:30 UTC

W J Mackintosh
Trustee

Independent auditors' report to the trustees of Hub Community Foundation

Opinion

We have audited the Charity financial statements of Hub Community Foundation for the year ended 31 December 2025 which comprise the Statement of Financial Activities, the Balance Sheet, Statement of Cash Flows and the related notes, 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 FRS 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 charity's affairs as at 31 December 2025 and of the charity's incoming resources and application of resources, including its income and expenditure, 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 Charities and Trustee Investment (Scotland) Act 2005 and Regulation 8 of the Charities Accounts (Scotland) Regulations 2006.

Basis of 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 responsibilities for the audit of the financial statements section of our report. We are independent of the charity 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 trustees' 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 charity'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 trustees with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the Trustees' report, other than the financial statements and our auditor's report thereon. The trustees are responsible for the other information contained within the Trustees' report. Our opinion on the financial statements does not cover the other information and 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.

Independent auditors' report to the trustees of Hub Community Foundation

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters in relation to which the Charities Accounts (Scotland) Regulations 2006 requires us to report to you if, in our opinion:

- the information given in the financial statements is inconsistent in any material respect with the trustees' report; or
- proper accounting records have not been kept; or
- the financial statements are not in agreement with the accounting records; or
- we have not received all the information and explanations we require for our audit.

Responsibilities of Trustees

As explained more fully in the trustees' responsibilities statement set out on page 5, the trustees are responsible for the preparation of the financial statements which give a true and fair view, and for such internal control as the trustees 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 trustees are responsible for assessing the charity'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 trustees either intend to liquidate the charity or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

We have been appointed as auditor under section 44(1)(c) of the Charities and Trustee Investment (Scotland) Act 2005 and report in accordance with regulations made under that Act.

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 specific procedures for this engagement and the extent to which these are capable of detecting irregularities, including fraud, are detailed below.

As part of our planning process:

- We enquired of management the systems and controls the charity has in place, the areas of the financial statements that are mostly susceptible to the risk of irregularities and fraud, and whether there was any known, suspected or alleged fraud. Management informed us that there were no instances of known, suspected or alleged fraud;
- We obtained an understanding of the legal and regulatory frameworks applicable to the charity. We determined that the following were most relevant: the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, the charities SORP and FRS 102;
- We considered the incentives and opportunities that exist in the charity, including the extent of management bias, which present a potential for irregularities and fraud to be perpetrated, and tailored our risk assessment accordingly; and
- Using our knowledge of the charity, together with the discussions held with management at the planning stage, we formed a conclusion on the risk of misstatement due to irregularities including fraud and tailored our procedures according to this risk assessment.

The key procedures we undertook to detect irregularities including fraud during the course of the audit included:

- Enquiries with management about any known or suspected instances of non-compliance with laws and regulations and fraud;
- Reviewing legal fee expenditure for any evidence of non-compliance;
- Challenging assumptions and judgements made by management in their significant accounting estimates, in particular in relation to the carrying value of investments;
- Documenting and verifying all significant related party balances and transactions;
- Auditing the risk of management override of controls, including through testing journal entries and other adjustments for appropriateness; and
- Reviewing the financial statement disclosures and determining whether accounting policies have been appropriately applied.

Owing to the inherent limitations of an audit, there is an unavoidable risk that some material misstatements in the financial statements may not be detected, even though the audit is properly planned and performed in accordance with the ISAs (UK). For instance, the further removed non-compliance is from the events and transactions reflected in the financial statements, the less likely the auditor is to become aware of it or to recognise the non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation. The primary responsibility for the prevention and detection of irregularities and fraud lies with the trustees.

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

Use of our report

This report is made solely to the charity's trustees, as a body, in accordance with Regulation 10 of the Charities Accounts (Scotland) Regulations 2006. Our audit work has been undertaken so that we might state to the charity's trustees 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 charity and the charity's trustees as a body, for our audit work, for this report, or for the opinions we have formed.

Diana Penny
Diana Penny - 2026-07-28, 07:52:56 UTC

Henderson Loggie LLP
Chartered Accountants
Statutory Auditor
Eligible to act as an auditor in terms of section 1212 of the Companies Act 2006
The Stamp Office
Level 5, 10-14 Waterloo Place
Edinburgh
EH1 3EG

Statement of financial activities
for year ended 31 December 2025

	Note	2025 £	2024 £
Income from:			
Investment income	*3*	**225,320**	96,287
Total income		**225,320**	96,287
Expenditure on:			
Charitable activities	*4*	**(571,098)**	(548,870)
Total expenditure		**(571,098)**	(548,870)
Net income/(expenditure) and net movement in funds for the year		**(345,778)**	(452,583)
Funds brought forward		**1,883,202**	2,335,785
Funds carried forward		**1,537,424**	1,883,202

All income and expenditure derive from continuing activities.

The notes on pages 12 to 17 form part of these financial statements.

Balance sheet
at 31 December 2025

	Note	2025 £	2024 £
Fixed assets			
Investments	5	**825,902**	833,639
Current assets			
Debtors	6	**66,251**	23,946
Cash at bank and in hand		**674,777**	1,056,244
		741,028	1,080,190
Current liabilities			
Creditors: amounts falling due within one year	7	**(29,506)**	(30,627)
Net current assets		**711,522**	1,049,563
Net assets		**1,537,424**	1,883,202
Unrestricted funds			
General fund	11	**1,537,424**	1,883,202
Total funds		**1,537,424**	1,883,202

Approved by the Trustees and authorised for issue on 2026-07-27 and signed on their behalf by:

Bill Mackintosh
Bill Mackintosh - 2026-07-27, 17:01:30 UTC

W J Mackintosh
Trustee

The notes on pages 12 to 17 form part of these financial statements.

Statement of cash flows
for the year ended 31 December 2025

	Note	2025	2024
		£	**£**
Cash used in operating activities	*9*	**(614,524)**	(555,251)
Cash flows from investing activities			
Investment income		**225,320**	96,287
Repayment of subordinated debt		**7,737**	7,234
Cash provided by/(used in) operating activities		**233,057**	103,521
Change in cash and cash equivalents in the year		**(381,467)**	(451,730)
Cash and cash equivalents at the beginning of the year		**1,056,244**	1,507,974
Total cash and cash equivalents at the end of the year		**674,777**	1,056,244

Notes to the accounts

1. Accounting policies

(a) Basis of preparation and assessment of going concern

The financial statements have been prepared in accordance with the charity's governing document, the Charities and Trustee Investment (Scotland) Act 2005, the Charities Accounts (Scotland) Regulations 2006, FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" and the Charities SORP "Accounting and Reporting by Charities: Statement of Recommended Practice applicable to charities preparing their accounts in accordance with the Financial Reporting Standard applicable in the UK and Republic of Ireland (FRS 102)". The charity is a Public Benefit Entity as defined by FRS 102.

The financial statements are prepared in Sterling, which is the functional currency of the charity. Monetary assets in these financial statements are rounded to the nearest Pound.

The financial statements have been prepared under the historical cost convention. The principal accounting policies adopted are set out below.

The financial statements have been prepared on a going concern basis. The Trustees have considered relevant information, including the annual budget, forecast future cash flows and the impact of subsequent events in making their assessment. Based on these assessments and having regard to the resources available to the entity, the Trustees have concluded that there is no material uncertainty and that they can continue to adopt the going concern basis in preparing the annual report and accounts.

(b) Funds structure

Unrestricted funds comprise those funds which the Trustees are free to use for any purpose in furtherance of the charitable objects. These include designated funds where the Trustees, at their discretion, have created a fund for a specific purpose.

(c) Income recognition

All income is recognised once the charity has entitlement to the income, it is probable that the income will be received and the amount of income receivable can be measured reliably. Interest receivable and similar income include interest receivable on funds invested and interest is recognised using the effective interest method.

Dividend income relates to dividends received from investments the charity holds shares in. Dividend income is recognised when the right to receive payment is established.

(d) Expenditure recognition

Liabilities are recognised as expenditure as soon as there is a legal or constructive obligation committing the charity to that expenditure, it is probable that settlement will be required and the amount of the obligation can be measured reliably. All expenditure is accounted for on an accruals basis.

(e) Grants payable

Through specific grant giving criteria, the charity provides support to a number of organisations. Grants payable to third parties are within the charitable objectives. Where unconditional grants are offered, this is accrued as soon as the recipient is notified of the grant, as this gives rise to a reasonable expectation that the recipient will receive the grants. Where grants are conditional relating to performance then the grant is only accrued when any unfulfilled conditions are outside the control of the charity.

(f) Fixed asset investments

Investments in subordinated debt are valued at cost plus accrued capitalised interest less impairment.

Investments in associates are accounted for using the cost model. They are recognised in the balance sheet at the transaction price.

Notes to the accounts *(continued)*

1. Accounting policies *(continued)*

(g) **Cash and equivalents**
Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand.

(h) **Debtors**
Short term debtors are measured at transactional price less any impairment.

(i) **Creditors**
Short term creditors are measured at transactional price. Other financial liabilities, including loans, are measured at fair value, net of transaction costs, and are measured subsequently using the effective interest method.

(j) **Financial instruments**
The charity only has financial assets and financial liabilities of a type that qualify as basic financial instruments. Basic financial instruments are initially recognised at their transaction value and subsequently at their settlement value.

(k) **Impairment**
A financial asset not carried at fair value through income or expenditure is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the charity would receive for the asset if it were to be sold at the reporting date.

Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in income or expenditure. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed income or expenditure.

The charity derecognises a financial asset when it expires or when the rights to the cash flows from the financial asset have been transferred and substantially all the risks and rewards of ownership of the financial asset have been transferred.

(l) **Critical judgements and key sources of estimation uncertainty**
In the application of the charity's accounting policies, the Trustees are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources.

The key area of judgement relates to the assessment of impairment of unlisted investments, including investments in associates and subordinated debt. This assessment requires the Trustees to estimate the recoverable amount of these investments based on available financial information, expected future cash flows and prevailing economic conditions.

Due to the inherent uncertainty in forecasting future performance, actual outcomes could differ from these estimates and may result in material adjustments to the carrying value of these investments in future periods.

Notes to the accounts *(continued)*

2. Employees

There were no employees in the current or prior year.

3. Income from investments

	2025 £	2024 £
Interest income	**84,907**	85,887
Dividends received	**140,413**	10,400
	225,320	96,287

4. Expenditure on charitable activities

	2025 £	2024 £
Grants payable to institutions	**471,767**	442,069
Support and governance expenditure		
Financial and secretarial fees	**22,563**	29,800
Insurance	**2,838**	4,394
Bank fees	**220**	259
Website costs	**508**	402
Grant management fees	**59,160**	55,980
Governance costs:		
Audit fee	**13,800**	13,560
Professional fee	**138**	2,400
Trustees' expenses	**104**	6
	571,098	548,870

The Trustees give freely their time and expertise without any form of remuneration or other benefit in cash or kind. Travel expenses totaling £104 were reimbursed to one trustee in the year *(2024: £6 to one trustee)*. The charity had no employees, and the trustees are considered the key management personnel.

Total audit fees were £13,800 *(2024: £13,560)*.

Grants payable to institutions represents amounts payable to Inspiring Scotland for onward distribution to beneficiaries. Further details can be found within the Trustees' report.

Notes to the accounts *(continued)*

5. Investments

	2025 £	2024 £
Interest in associates	**883**	883
Subordinated debt	**825,019**	832,756
	825,902	833,639

Interest in associates	**2025** **£**	2024 £
Opening cost	**883**	883
Correction to share value	**-**	-
Closing cost	**883**	883

Subordinated debt	**2025** **£**	2024 £
Opening value	**832,756**	839,990
Loans repaid	**(7,737)**	(7,234)
Closing value	**825,019**	832,756

Interests in associates

Details of the investments in which the charity holds 20% or more of the share capital at 31 December 2025 are set out below. The charity has no significant influence on these investments as it has no power to participate in the financial and operating policies.

Company	Holding	Proportion of voting rights	Nature of business
Hub SW Ayr Holdco Limited	Ordinary shares	20%	Investment Holding Co
Hub SW EALC Holdco Limited	Ordinary shares	20%	Investment Holding Co
Newbattle DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
KHS DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
LBP DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
Hub SW Largs Holdco Limited	Ordinary shares	20%	Investment Holding Co
ELCH DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (PSS) Midco Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (SCV) Midco Limited	Ordinary shares	20%	Investment Holding Co
WCHS DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
Hub North Scotland (Wick) Holdings Limited	Ordinary shares	20%	Investment Holding Co
Hub North Scotland (Anderson) Holdings Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (Forfar) Midco Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (Levenmouth) Midco Limited	Ordinary shares	20%	Investment Holding Co
REH Phase 1 Subhub Holdings Limited	Ordinary shares	20%	Investment Holding Co
Hub West Scotland Holdco (No.1) Limited	Ordinary shares	20%	Investment Holding Co
Hub SW Greenfaulds Holdco Ltd	Ordinary shares	20%	Investment Holding Co
Hub SW Cumbernauld Holdco Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (Bertha Park) Midco Limited	Ordinary shares	20%	Investment Holding Co
Hub East Central (Angus Schools) Limited	Ordinary shares	20%	Investment Holding Co
Hub North Scotland (Inverurie Campus) Holdings Limited	Ordinary shares	20%	Investment Holding Co
QHS DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co
JICC DBFM Holdco Limited	Ordinary shares	20%	Investment Holding Co

Notes to the accounts *(continued)*

5. Investments (continued)

Subordinated debt

Subordinated debt represents the investments made in a number of Special Purpose Company's. The debt has coupon rates ranging from 9% - 12%. Interest is received semi-annually now that the relevant companies' activities are operational.

6. Debtors

	2025 £	2024 £
Prepayments and accrued income	**66,251**	23,946
	66,251	23,946

7. Creditors due within one year

	2025 £	2024 £
Trade creditors	**14,790**	16,380
Accruals	**14,716**	14,247
	29,506	30,627

8. Financial commitments

On 27 June 2024, a commitment was made to provide grants totalling £943,535 by June 2026. At the year end £704,212 had been paid, leaving £239,323 outstanding.

9. Cash flows from operating activities

Cash flows from operating activities	2025 £	2024 £
Net (expenditure)/income	**(345,778)**	(452,583)
Less: Investment income	**(225,320)**	(96,287)
(Increase)/decrease in debtors	**(42,305)**	86
(Decrease) in creditors	**(1,121)**	(6,467)
Cash used in operating activities	**(614,524)**	(555,251)

Notes to the accounts *(continued)*

10. Reconciliation of net cash flow to movement in net debt

	2025 £	2024 £
	£	£
Increase/(decrease) in cash in the year	**(381,467)**	(451,730)
Movement in net debt/cash in the year	**(381,467)**	(451,730)
Net cash at the beginning of the year	**1,056,244**	1,507,974
Net cash at the end of the year	**674,777**	1,056,244

11. Funds analysis

Charity	**Funds at 1 January 2025**	**Income**	**Expenditure**	**Transfers**	**Funds at 31 December 2025**
	£	£	£	£	£
Unrestricted					
General funds	**1,883,202**	**225,320**	**(571,098)**	**-**	**1,537,424**
Total funds	**1,883,202**	**225,320**	**(571,098)**	**-**	**1,537,424**

Charity	**Funds at 1 January 2024**	**Income**	**Expenditure**	**Transfers**	**Funds at 31 December 2024**
	£	£	£	£	£
Unrestricted					
General funds	2,335,785	96,287	(548,870)	-	1,883,202
Total funds	2,335,785	96,287	(548,870)	-	1,883,202