

COMPANIES HOUSE
EDINBURGH

18 APR 2019

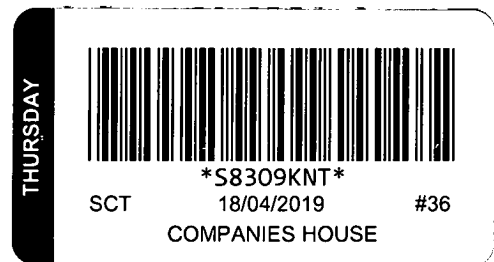
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Edinburgh Quay Limited

Registered number: SC190454

Directors' report and financial statements

For the year ended 31 December 2018



EDINBURGH QUAY LIMITED

COMPANY INFORMATION

Directors	Andrew Sutherland Claire L Lithgow Katie Hughes
Registered number	SC190454
Registered office	1 Exchange Crescent Conference Square Edinburgh EH3 8UL

EDINBURGH QUAY LIMITED

DIRECTORS' REPORT FOR THE YEAR ENDED 31 DECEMBER 2018

The directors present their report and the financial statements for the year ended 31 December 2018.

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 Section 1A FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland' (UK Generally Accepted Accounting Practice applicable to Smaller Entities).

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

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

- select suitable accounting policies for the Company's financial statements and then apply them consistently;
- make judgments and accounting estimates that are reasonable and prudent;
- assess the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern; and
- use the going concern basis of accounting unless they either intend to liquidate the company or cease operations, or have no realistic alternative but to do so.

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 responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the company and to prevent and detect fraud and other irregularities.

Results and dividends

The profit for the year, after taxation, amounted to £11,813 (2017 - £2,097).

A dividend of £620,000 was paid during the year (2017 - £nil).

Directors

The directors who served during the year were:

Andrew Sutherland
Claire L Lithgow
Katie Hughes
Stephen Dunlop (resigned 30 April 2018)

EDINBURGH QUAY LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2018**

Disclosure of information to auditor

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

- so far as the director is aware, there is no relevant audit information of which the Company's auditor is unaware, and
- the director has 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 Company's auditor is aware of that information.

Auditor

Under section 487(2) of the Companies Act 2006, KPMG LLP will be deemed to have been reappointed as auditor.

Small companies note

This report has been prepared in accordance with the small companies regime of the Companies Act 2006.

This report was approved by the board and signed on its behalf.

Andrew Sutherland
Andrew Sutherland (Feb 13, 2019)

Andrew Sutherland
Director

Date: Feb 13, 2019

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDINBURGH QUAY LIMITED

We have audited the financial statements of Edinburgh Quay Limited for the year ended 31 December 2018 which comprise the statement of comprehensive income, the balance sheet, the statement of changes in equity and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

Respective responsibilities of directors and auditors

As explained more fully in the directors' responsibilities statement set out on page , 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 Practices Board's Ethical Standards for Auditors. 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 auditors' 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.

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 website at www.frc.org.uk/auditscopeukprivate.

Opinion on the 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 December 2018 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.

Opinion on the other matter prescribed by the Companies Act 2006

In our opinion the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements.

EDINBURGH QUAY LIMITED

INDEPENDENT AUDITORS' REPORT TO THE SHAREHOLDERS OF EDINBURGH QUAY LIMITED

Matters on which we are required to report by exception

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; or
- the directors were not entitled to take advantage of the small companies' exemption in preparing the directors' report.

Chartered Accountants and Statutory Auditor

Apex 2
97 Haymarket Terrace
Edinburgh
EH12 5HD

Date:

EDINBURGH QUAY LIMITED

**STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2018**

	Note	2018 £	2017 £
Turnover		603,139	30,800
Cost of sales		(582,597)	(4,809)
Gross profit		<u>20,542</u>	<u>25,991</u>
Administrative expenses		(8,829)	(23,900)
Operating profit		<u>11,713</u>	<u>2,091</u>
Interest receivable and similar income		100	6
Profit before tax		<u>11,813</u>	<u>2,097</u>
Tax on profit	5	-	-
Profit for the financial year		<u><u>11,813</u></u>	<u><u>2,097</u></u>

There was no other comprehensive income for 2018 (2017:£NIL).

The activities relate to continuing operations.

The notes on pages 8 to 14 form part of these financial statements.

EDINBURGH QUAY LIMITED
REGISTERED NUMBER: SC190454

BALANCE SHEET
AS AT 31 DECEMBER 2018

	Note	2018 £	2017 £
Fixed assets			
Investments	6	2	2
Current assets			
Development work in progress		-	574,444
Debtors: amounts falling due within one year	7	1,307	3,293
Cash at bank and in hand		19,449	58,488
		<u>20,756</u>	<u>636,225</u>
Creditors: amounts falling due within one year	8	(5,300)	(12,582)
Net current assets		<u>15,456</u>	<u>623,643</u>
Net assets		<u>15,458</u>	<u>623,645</u>
Capital and reserves			
Called up share capital	9	100	100
Profit and loss account	10	15,358	623,545
		<u>15,458</u>	<u>623,645</u>

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime and in accordance with the provisions of FRS 102 Section 1A - small entities.

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

Andrew Sutherland
 Andrew Sutherland (Feb 13, 2019)

Andrew Sutherland
 Director

Date: Feb 13, 2019

Claire Lithgow
 Claire Lithgow (Feb 14, 2019)

Claire L Lithgow
 Director

Date: Feb 14, 2019

The notes on pages 8 to 14 form part of these financial statements.

EDINBURGH QUAY LIMITED

STATEMENT OF CHANGES IN EQUITY
31 DECEMBER 2018

	Called up share capital	Profit and loss account	Total equity
	£	£	£
At 31 December 2016 and 1 January 2017	100	621,448	621,548
Comprehensive income for the year			
Profit for the year	-	2,097	2,097
At 31 December 2017 and 1 January 2018	100	623,545	623,645
Comprehensive income for the year			
Profit for the year	-	11,813	11,813
Dividends	-	(620,000)	(620,000)
At 31 December 2018	100	15,358	15,458

The notes on pages 8 to 14 form part of these financial statements.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

1. General information

Edinburgh Quay Limited is a private company limited by shares and incorporated in Scotland, SC190454. The registered office is 1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL.

The principal activity of the company continues to be that of property development.

2. Accounting policies

2.1 Basis of preparation 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 Section 1A of Financial Reporting Standard 102, the Financial Reporting Standard applicable in the UK and the Republic of Ireland and the Companies Act 2006.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgment in applying the Company's accounting policies.

The Company is exempt by virtue of s402 subject to the small companies regime of the Companies Act 2006 from the requirement to prepare group financial statements. These financial statements present information about the Company as an individual undertaking and not about its group.

The following principal accounting policies have been applied:

2.2 Going concern

The financial statements have been prepared on the going concern basis which the directors believe to be appropriate for the undernoted reason. The working capital requirements of the company have been provided by cash generated from the Company's development activities.

The nature of the company's trade is such that the working capital requirements of the company are completely at the discretion of the company's directors and the directors are confident that the company will not incur any working capital liabilities unless the funding to meet those liabilities has already been obtained from the shareholders or an alternative source.

Based upon the undertaking outlined above, and after making appropriate enquiries, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. Accordingly, the directors continue to adopt the going concern basis in preparing the annual financial statements.

2.3 Turnover

Turnover is recognised to the extent that it is probable that the economic benefits will flow to the Company and the turnover can be reliably measured. Turnover is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes.

Turnover represents the value of the sales of property developments, rents receivable, management fees and other property income.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.4 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

2.5 Taxation

Tax is recognised in the statement of comprehensive income, 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 countries where the Company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

2.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

2.7 Development work in progress

Developments in progress are stated at the lower of cost and estimated selling price less costs to complete and sell. Cost includes expenditure incurred in acquiring the stocks and other costs in bringing them to their existing location and condition.

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.

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.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

2. Accounting policies (continued)

2.10 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, 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 only enters into basic financial instrument 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, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other accounts receivable and payable, are initially measured at 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 debtors and creditors, 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.

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 comprehensive income.

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 the recoverable amount, 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.

2.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

EDINBURGH QUAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

3. Auditor's remuneration

	2018 £	2017 £
Fees payable to the Company's auditor and its associates for the audit of the Company's annual financial statements	3,000	556

4. Employees

The average monthly number of employees, including directors, during the year was nil (2017 - nil).

5. Taxation

	2018 £	2017 £
Current tax on profits for the year	-	-
Total current tax	-	-

Factors affecting tax charge for the year

The tax charge assessed for the year is higher than (2017 - higher than) the standard rate of corporation tax in the UK of 19% (2017 - 19.25%). The differences are explained below:

	2018 £	2017 £
Profit before tax	11,813	2,097
Loss multiplied by standard rate of corporation tax in the UK of 19% (2017 - 19.25%)	(2,735)	(404)
Effects of:		
Utilisation of tax losses	2,735	404
Total tax charge for the year	-	-

Factors that may affect future tax charges

The company has estimated losses of £541,193 (2017: £711,983) available for carry forward against future profits.

Due to the uncertainty of future profits, the directors have chosen not to recognise a deferred tax asset in relation to these losses.

EDINBURGH QUAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

6. Fixed asset investments

	Investments in subsidiary companies £
Cost	
At 1 January 2018 and 31 December 2018	<u>2</u>
Net book value	
At 31 December 2017 and 31 December 2018	<u><u>2</u></u>

Subsidiary undertakings

The following is subsidiary undertaking of the Company:

Name	Registered office	Class of shares	Holding	Principal activity
Edinburgh Quay Three Limited	1 Exchange Crescent, Conference Square, Edinburgh, EH3 8UL.	Ordinary	100 %	Dormant

7. Debtors

	2018 £	2017 £
Trade debtors	-	1,602
VAT repayable	1,307	-
Prepayments	-	1,691
	<u>1,307</u>	<u>3,293</u>

EDINBURGH QUAY LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

8. Creditors: Amounts falling due within one year

	2018 £	2017 £
VAT	-	1,396
Other creditors	-	3,000
Accruals and deferred income	5,300	8,186
	<u>5,300</u>	<u>12,582</u>

9. Share capital

	2018 £	2017 £
Allotted, called up and fully paid		
51 (2017 - 51) Ordinary A shares of £1 each	51	51
49 (2017 - 49) Ordinary B shares of £1 each	49	49
	<u>100</u>	<u>100</u>

Ordinary A and Ordinary B shares each have equal voting rights, and also equal rights to dividends and other distributions.

10. Reserves**Profit & loss account**

Profit and loss includes all current and prior period retained profits, losses and equity distributions.

11. Related party transactions

Management fees of £5,095 (2017: £11,400) were invoiced by Miller Developments Limited, a subsidiary Company of Miller Developments Holdings Limited, during the year. Of this amount £1,500 (2017: £1,800) was outstanding at the year end.

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2018**

12. Controlling party and parent undertaking

In the opinion of the directors there is no ultimate controlling party.

As at 31 December 2018, the Company was a joint venture between Miller Developments Holdings Limited, registered at Condor House, St Paul's Churchyard, London, EC4M 8AL and Scottish Canals, the operating name of the British Waterways Board, a stand alone public body responsible for managing and maintaining the inland waterways across Scotland.

At 31 December 2018, Miller Developments Holdings Limited's ultimate parent was MDL Holdings Limited, registered at Condor House, St Paul's Churchyard, London, EC4M 8AL.