

Registration No: SC230949 (Scotland)

CEC RECOVERY LIMITED
DIRECTOR'S REPORT
AND
AUDITED FINANCIAL STATEMENTS
For the year ended 31 March 2017



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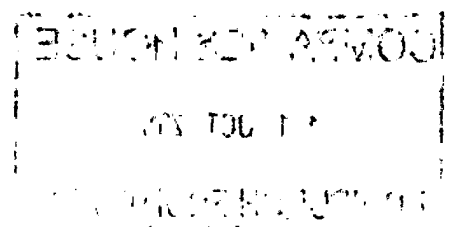


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CEC RECOVERY LIMITED

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CEC RECOVERY LIMITED

COMPANY INFORMATION

Director	H J Dunn
Company Number	SC230949
Registered Office	Waverley Court 4 East Market Street Edinburgh EH8 8BG
Business address	Waverley Court 4 East Market Street Edinburgh EH8 8BG
Auditor	Scott-Moncrieff Exchange Place 3 Semple Street Edinburgh EH3 8BL
Bankers	None

CEC RECOVERY LIMITED

STRATEGIC REPORT

for the year ended 31 March 2017

The director presents the strategic report for the year ended 31 March 2017.

The company continues to consider its possible legal remedies in relation to the Edinburgh Tram project.

Principal activities and review of business

The principal activity of the company was previously the promotion, development, procurement, project management and implementation of certain nominated transport projects.

The company is a "not for profit" entity.

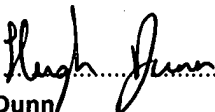
Following a review of the Tram Project in 2011, the decision was made to return this project back to the direct control of the City of Edinburgh Council. All Tram Project contracts were novated to the City of Edinburgh Council on 9 November 2011. The Tram Project previously accounted for 99% of the company's activities, and as a result the company has ceased its project management activities from this date.

The company has continued to manage the rental properties acquired for the project, on behalf of Transport Scotland. In July 2017 the company initiated the marketing for sale of the property at Kirkliston, which is ongoing, with all proceeds to be remitted to Transport Scotland.

The other site remains under the management of the company and there are no timescales for any change in these circumstances.

Key Performance Indicators

Following these decisions, key performance indicators are no longer considered relevant to the company:


.....
H J Dunn
Director

Date 6 October 2017

Company registered office:
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

CEC RECOVERY LIMITED

DIRECTOR'S REPORT

for the year ended 31 March 2017

The director presents the report and audited financial statements for the year ended 31 March 2017.

Directors

The director who served during the year was:

H J Dunn

Board Operation

No Board meetings have been held and any decisions affecting the company are made by the shareholder, the City of Edinburgh Council.

Political and Charitable Contributions

The company made no political or charitable contributions during the year.

Responsibilities of the director

The director is responsible for preparing the Director's Report and the financial statements in accordance with applicable law and regulations.

Company law requires the director to prepare financial statements for each financial year. Under that law the director has prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. Under company law the director must not approve the financial statements unless he is satisfied that they give a true and fair view of the state of affairs of the group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the director is required to:

- * select suitable accounting policies and then apply them consistently;
- * make judgements and accounting estimates that are reasonable and prudent;
- * state whether applicable IFRSs as adopted by the European Union have been followed, subject to any material departures disclosed and explained in the financial statements;
- * prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The director is 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 the group and enable him to ensure that the financial statements comply with the Companies Act 2006 and, as regards the group financial statements, Article 4 of the IAS Regulation. He is also responsible for safeguarding the assets of the company and the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

CEC RECOVERY LIMITED

DIRECTOR'S REPORT (continued)
for the year ended 31 March 2017

Disclosure of information to the auditor

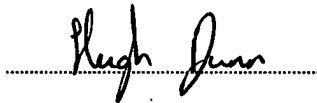
To the best of the director's knowledge and belief:

- * So far as the 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 the relevant audit 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 and signed by:



H J Dunn
Director

Date

6 October 2017

Company registered office:
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

CEC RECOVERY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER

For the year ended 31 March 2017

We have audited the financial statements of CEC Recovery Limited for the year ended 31 March 2017 which comprise the Statement of Profit or Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and related notes. The financial reporting framework that has been applied in their preparation is applicable law and International Financial Reporting Standards (IFRSs) as adopted by the European Union.

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 director and auditor

As explained more fully in the Director's Responsibilities Statement set out on page 3, the director is 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 (APB's) Ethical Standards for Auditors.

Scope of the audit on 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 the company's results for the year then ended;
- * have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- * have been prepared in accordance with the requirements of the Companies Act 2006.

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 Strategic Report and the Director's Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- * the Strategic Report and the Director's Report have been prepared in accordance with applicable legal requirements.

CEC RECOVERY LIMITED

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER - continued

For the year ended 31 March 2017

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 Strategic Report or the Director's Report.

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 director's remuneration specified by law are not made; or
- * we have not received all the information and explanations we require for our audit.



Nick Bennett, Senior Statutory Auditor

For and on behalf of Scott-Moncrieff, Statutory Auditor

Chartered Accountants

Exchange Place 3

Seemple Street

Edinburgh

EH3 8BL

Date: 6 October 2017

CEC RECOVERY LIMITED
STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2017


	Notes	2017 £	2016 £
Continuing Operations			
Revenue	5	13,435	17,490
		<u>13,435</u>	<u>17,490</u>
Staff Costs	7	0	0
Depreciation	11	-13,777	-13,777
Capital Payment amortisation	12	13,777	13,777
Bad Debts		0	0
Other Operating Charges		-13,435	-17,490
		<u>-13,435</u>	<u>-17,490</u>
Operating deficit	6	0	0
Investment revenues	9	0	0
Finance Costs		<u>0</u>	<u>0</u>
Deficit for the year before tax		0	0
Tax	10	0	0
Deficit for the year		<u><u>0</u></u>	<u><u>0</u></u>

The accompanying notes form an integral part of these financial statements.

CEC RECOVERY LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 March 2017

	Notes	2017 £	2016 £
Non-Current assets			
Property, plant and equipment	11	<u>567,822</u>	<u>581,599</u>
Current Assets			
Debtor	14	<u>5,597</u>	<u>2,750</u>
Total Assets		<u><u>573,419</u></u>	<u><u>584,349</u></u>
Equity			
Share Capital	13	1,000	1,000
Retained earnings		<u>-1,000</u>	<u>-1,000</u>
Total Equity		<u>0</u>	<u>0</u>
Non Current Liabilities			
Deferred Income	12	<u>-567,822</u>	<u>-581,599</u>
Total Non Current Liabilities		<u><u>-567,822</u></u>	<u><u>-581,599</u></u>
Current Liabilities			
Trade and other payables	15	-5,597	-2,750
Total Liabilities		<u><u>-573,419</u></u>	<u><u>-584,349</u></u>
Total Equity and Liabilities		<u><u>-573,419</u></u>	<u><u>-584,349</u></u>

The financial statements on pages 7 - 16 were approved by the Director and authorised for issue on
6th October 2017


H J Dunn
Director

Company Registration Number: SC230949 (Scotland)

The accompanying notes form an integral part of these financial statements

CEC RECOVERY LIMITED
STATEMENT OF CHANGES IN EQUITY
for the year ended 31 March 2017

	Notes	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2015		<u>1,000</u>	<u>-1,000</u>	<u>0</u>
Deficit for the year		0	0	0
Total comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
At 1 April 2016		<u>1,000</u>	<u>-1,000</u>	<u>0</u>
Deficit for the year		0	0	0
Total comprehensive income		<u>0</u>	<u>0</u>	<u>0</u>
At 31 March 2017		<u><u>1,000</u></u>	<u><u>-1,000</u></u>	<u><u>0</u></u>

CEC RECOVERY LIMITED
CASH FLOW STATEMENT
for the year ended 31 March 2017

	Notes	2017 £	2016 £
Cash from operating activities			
Cash generated from operations	16	0	0
Corporation tax paid		<u>0</u>	<u>0</u>
Net cash from operating activities		<u>0</u>	<u>0</u>
Cash flows from investing activities			
Interest received		<u>0</u>	<u>0</u>
Net cash used in investing activities		<u>0</u>	<u>0</u>
Cash flows from financing activities			
Finance costs		<u>0</u>	<u>0</u>
Net cash used in financing activities		<u>0</u>	<u>0</u>
Net increase in cash and cash equivalents		0	0
Cash and cash equivalents at 1 April 2016		<u>0</u>	<u>0</u>
Cash and cash equivalents at 31 March 2017		<u><u>0</u></u>	<u><u>0</u></u>

The accompanying notes form an integral part of these financial statements

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

1 General Information

CEC Recovery Limited is a company domiciled in the United Kingdom.

The City of Edinburgh Council is deemed to be the ultimate controlling party by way of its 100% shareholding in Transport Edinburgh Limited, the immediate parent company of CEC Recovery Limited.

2 Significant Accounting Policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

Basis of Preparation

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) and IFRIC interpretations as adopted by the European Union.

The preparation of financial statements in conformity with IFRS requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements are disclosed in note 4.

Going Concern

The company continues to manage rental property and the director considers that the company will continue in existence for the foreseeable future. He is therefore of the opinion that it is appropriate to prepare these financial statements on a going concern basis.

Revenue Recognition

Revenue is recognised to reflect completion of the company's contractual obligations. Where the substance of the contract is that a right to consideration does not arise until the occurrence of a critical event, revenue is not recognised until that event occurs.

Property, plant and Equipment

Property is stated at cost less depreciation. Depreciation is provided at rates calculated to write off the cost less estimated residual value of each asset over its expected useful life, as follows:

Heritable property - 2% Straight line

Leasing

Rentals payable under operating leases are charged against income on a straight line basis over the lease term.

Deferred capital receipts

Capital receipts in respect of capital expenditure are credited to the deferred income account and then released to the income and expenditure account over the expected useful lives of the relevant assets.

Retirement benefit costs

Following the agreement to transfer all assets and undertakings of the company into related undertakings, the company withdrew from the Lothian Pension Scheme on 31 December 2012 and thereby crystallised its liability under the scheme. The liability was settled in full by the City of Edinburgh Council and recognised in their 2011-2012 financial statements.

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

2 Significant Accounting Policies (continued)

Taxation

The company is a "not for profit company" and UK corporation tax is only payable on any interest receivable in excess of interest payable.

Current tax is the tax expected to be payable on any interest receivable in excess of interest payable for the year, calculated using tax rates enacted or substantively enacted by the balance sheet date, and any adjustment in respect of previous years.

As the company is a "not for profit" company for tax purposes, no temporary difference between the carrying amounts of assets and liabilities in the balance sheet and the amounts attributed to such assets and liabilities for tax purposes has arisen. Accordingly, no deferred tax assets or liabilities are recognised.

Financial instruments

Financial assets and financial liabilities are recognised in the company's balance sheet when the company becomes a party to the contractual provisions of the instrument.

Trade Receivables

Trade receivables are measured at initial recognition of fair value. Appropriate allowances for estimated irrecoverable amounts are recognised in the income statement when there is evidence that the asset is impaired. The allowance recognised is measured as the difference between the asset's carrying amount and the expected amount recoverable.

Cash and cash equivalents

Cash and cash equivalents comprise cash on hand and bank deposits.

Financial liabilities and equity

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the company after deducting all of its liabilities.

Trade payables

Trade payables are measured at fair value.

Provisions

Provisions are recognised when the company has a present obligation as a result of a past event and it is probable that the company will be required to settle that obligation. Provisions are measured at the directors' best estimate of the expenditure required to settle the obligation at the balance sheet date.

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

2 Significant Accounting Policies (continued)

New accounting standards adopted during the year

The following new standards, amendments to standards and interpretations are mandatory for the first time for the financial year beginning 1 January 2016 and have been adopted by the company:

- Disclosure initiative (Amendments to IAS 1)
- Financial Instruments: Disclosures (Amendments to IFRS 7)

New standards and interpretations issued not applied

The International Accounting Standards Board ("IASB") and IFRIC have issued the following standards and interpretations, which may have an impact on the company, with an effective date for financial years beginning on or after the dates disclosed below and therefore after the date of these financial

<i>International Accounting Standards and Interpretations</i>		<i>Effective for annual periods beginning on or after</i>
Amendments to IAS 7	Statement of cash flows: disclosure initiative*	1 January 2017
Amendments to IAS 12	Recognition of Deferred Tax Assets for Unrealised Losses*	1 January 2017
IFRS 9	Financial instruments	1 January 2018
Amendments to IAS 1	Presentation of financial statements	1 January 2018
Amendments to IAS 39	Financial Instruments: Recognition and Measurement	1 January 2018
Amendments to IFRS 7	Financial Instruments: Disclosures	1 January 2018
IFRS 15	Revenue from Contracts with Customers	1 January 2018
IFRS 16	Leases	1 January 2019

* not yet adopted for use in the European Union

The director does not expect that the adoption of these standards and interpretations in future reporting periods will have a material impact on the company's financial statements.

3 Financial instruments and financial risk management

The company's main financial instruments comprise short term debtors and creditors.

Capital Management

The company has not actively traded in the year under review.

However, when trading, the company did not commit any expenditure without the award of a formal grant from a relevant funding provider and thus does not require a strong capital base to perform its operations.

Management of financial risk

Due to the cessation of trade of the company and agreements in place with the City of Edinburgh Council, the Company does not consider it is subject to any financial risks.

4 Critical accounting judgements and key sources of estimation uncertainty

Due to the cessation of trade of the company, there has been no requirement for any estimation within the financial statements.

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

5 Revenue

An analysis of the company's revenue is as follows:

	2017	2016
	£	£
Tram project	0	0
Other projects	2,035	6,090
Rental income	11,400	11,400
	<u>13,435</u>	<u>17,490</u>

6 Operating Deficit

Deficit for the year has been arrived at after charging / (crediting)

	2017	2016
	£	£
Depreciation of tangible assets	13,777	13,777
Operating lease rentals	0	0
Capital payment amortisation	-13,777	-13,777
	<u>0</u>	<u>0</u>

The analysis of auditor's remuneration is as follows:

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

	0	0
Total audit fees	<u>0</u>	<u>0</u>

Since the company ceased trading, the City of Edinburgh Council as ultimate parent, has assumed responsibility for the administration of the company and audit fee.

7 Staff Costs

	2017	2016
	£	£
Salaries and wages	0	0
Social security costs	0	0
Other pension gains	0	0
	<u>0</u>	<u>0</u>

The company had no employees in the period under review.

8 Directors' remuneration

There were no salaries or benefits payable to executive directors and fees payable to non executive directors in the current or prior year.

No share option is in force. There were no directors for whom retirement benefits were accruing under defined benefit pension schemes.

9 Investment revenues

	2017	2016
	£	£
Investment revenues		
Bank Interest Receivable	0	0
	<u>0</u>	<u>0</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

10 Tax

	2017	2016
	£	£
Current Tax (see below)	<u>0</u>	<u>0</u>

Corporation tax is calculated at 20% (2016: 20%) of the estimated assessable profit for the year.

The charge for the year can be reconciled to the surplus per the consolidated income statement as follows:

	2017	2016
	£	£
Deficit on ordinary activities before tax	<u>0</u>	<u>0</u>
Tax credit at the UK corporation tax rate of 20 % (2016: 20%)	0	0
Effects of:		
Other tax adjustments	<u>0</u>	<u>0</u>
Current tax charge for the year	<u>0</u>	<u>0</u>

11 Property, plant and equipment

	Heritable Property	Total
	£	£
Cost		
At 1 April 2015	688,822	688,822
Additions	0	0
Disposals	<u>0</u>	<u>0</u>
At 1 April 2016 and 31 March 2017	<u>688,822</u>	<u>688,822</u>
Depreciation		
At 1 April 2015	93,446	93,446
Charge for the year	<u>13,777</u>	<u>13,777</u>
At 1 April 2016	107,223	107,223
Charge for the year	<u>13,777</u>	<u>13,777</u>
At 31 March 2017	<u>121,000</u>	<u>121,000</u>
Net book amount		
At 31 March 2017	<u>567,822</u>	<u>567,822</u>
At 31 March 2016	<u>581,599</u>	<u>581,599</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

12 Deferred income

	2017	2016
	£	£
At 1 April	581,599	595,376
Amortisation in the year	<u>-13,777</u>	<u>-13,777</u>
	<u>567,822</u>	<u>581,599</u>

Deferred income represents grant income received in relation to fixed assets acquired for use in delivery of nominated projects. Such income is credited to the deferred income account and released to the Statement of Income over the expected useful lives of the relevant assets.

13 Share capital

	2017	2016
	£	£
Issues and fully paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 Debtors

	2017	2016
	£	£
Trade Debtors	2,748	2,750
Prepayments	<u>2,849</u>	<u>0</u>
	<u>5,597</u>	<u>2,750</u>

15 Trade and Other Payables

	2017	2016
	£	£
Trade creditors	2,748	2,750
Deferred income	<u>2,849</u>	<u>0</u>
	<u>5,597</u>	<u>2,750</u>

16 Cash generated from operations

	2017	2016
	£	£
Deficit before tax	0	0
Adjustments for:		
Investment revenues	0	0
Finance costs	0	0
Depreciation of property, plant and equipment	13,777	13,777
Deferred income released in the year	<u>-13,777</u>	<u>-13,777</u>
Operating cash flows before movement in working capital	0	0
Decrease in receivables	0	0
Decrease in payables	<u>0</u>	<u>0</u>
Cash from operations	<u>0</u>	<u>0</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2017

17 Related party transactions

The City of Edinburgh Council is deemed to be the ultimate controlling party by way of its 100% shareholding in Transport Edinburgh Limited, the immediate parent company of CEC Recovery Limited.

During the year the company entered into the following transactions with its related parties:

	2017	2016
	£	£
<i>City of Edinburgh Council</i>		
Legal expenses and other costs reimbursed	4,884	6,090
Services provide by, recharged in year	0	962
Agency fees	1,200	0

The following represents amounts due to / (by) the Company at 31 March

	2017	2016
	£	£
City of Edinburgh Council	400	0

18 Contingencies

CEC Recovery Limited in common with other parties involved in the Edinburgh Tram project is considering its possible legal remedies in relation to this project. There are however no known active or sisted actions involving the company.