

Registration No: SC230949 (Scotland)

**CEC RECOVERY LIMITED**  
**DIRECTOR'S REPORT**  
**AND**  
**AUDITED FINANCIAL STATEMENTS**  
For the year ended 31 March 2021

**CEC RECOVERY LIMITED**

**CONTENTS**

|  |       |
|--|-------|
| Company Information  | 1     |
| Strategic Report   | 2     |
| Director's Report  | 3 - 4 |
| Independent Auditor's Report To The Shareholder            | 5 - 7 |
| Statement of Profit or Loss and Other Comprehensive Income | 8     |
| Statement of Financial Position                            | 9     |
| Statement of Changes in Equity                             | 10    |
| Cash Flow Statement  | 10    |
| Notes to the financial statements                          | 11-17 |

**CEC RECOVERY LIMITED  
COMPANY INFORMATION**

|                          |   |
|--------------------------|---|
| <b>Director</b>          | H J Dunn  |
| <b>Company Number</b>    | SC230949  |
| <b>Registered Office</b> | Waverley Court<br>4 East Market Street<br>Edinburgh<br>EH8 8BG                    |
| <b>Business address</b>  | Waverley Court<br>4 East Market Street<br>Edinburgh<br>EH8 8BG                    |
| <b>Auditor</b>           | Azets Audit Services<br>Exchange Place 3<br>Semple Street<br>Edinburgh<br>EH3 8BL |
| <b>Bankers</b>           | None  |

**CEC RECOVERY LIMITED**

**STRATEGIC REPORT**

For the year ended 31 March 2021

The director presents the strategic report for the year ended 31 March 2021.

**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 ceased its project management activities from this date.

The company has continued to manage the land acquired for the project, on behalf of Transport Scotland. During 2019/20 the company entered into discussions with an interested party for the sale of the land at Winchburgh. These negotiations were put on hold during the Covid-19 pandemic and are not going to resume. It is now planned to actively market the site later this financial year. All proceeds, after deduction of expenses, will be remitted to Transport Scotland

Beyond the delay in discussions relating to the potential sale of the land, the Covid-19 pandemic has had little direct impact on the activity of the company.

**Key Performance Indicators**

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

.....

**H J Dunn**

Director

**Date**

.....

**Company registered office:**

**Waverley Court**

**4 East Market Street**

**Edinburgh**

**EH8 8BG**

## **CEC RECOVERY LIMITED**

### **DIRECTOR'S REPORT**

For the year ended 31 March 2021

The director presents the report and audited financial statements for the year ended 31 March 2021.

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#### **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) . 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 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 2021

**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, Azets Audit Services, is deemed to be reappointed under Section 487(2) of the Companies Act 2006.

This report has been approved and signed by:

.....  
**Date** .....

**H J Dunn**  
Director

**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 2021

**Opinion**

We have audited the financial statements of CEC Recovery Limited (the 'company') for the year ended 31 March 2021 which comprise the Statement of Profit and Loss and Other Comprehensive Income, Statement of Financial Position, Statement of Changes in Equity, Cash Flow Statement and 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 International Financial Reporting Standards (IFRSs) as adopted by the European Union.

In our opinion, the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 March 2021 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.

**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 UK, including the FRC's Ethical Standard, and we have fulfilled our 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 which the ISAs (UK) require us to report to you where:

- the Director's use of the going concern basis of accounting in the preparation of the financial statements is not appropriate; or
- the Director has 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.

However, because not all future events or conditions can be predicted, this statement is not a guarantee as to the company's ability to continue as a going concern. For example the ongoing effect of COVID-19 on financial stability worldwide is ever-changing and therefore it is difficult to evaluate all of the potential implications on the company's trade, customers, suppliers and the wider economy.

**Other information**

The Director is 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.

## **CEC RECOVERY LIMITED**

### **INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER (continued)**

For the year ended 31 March 2021

#### **Opinions 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
- Strategic Report and Director's Report have 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 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.

#### **Responsibilities of the director**

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, and for such internal control as the Director determines 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 Director is 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 Director either intends to liquidate the company or to cease operations, or has 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 the 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](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Extent to which the audit was 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 and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.



**CEC RECOVERY LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER (continued)**  
For the year ended 31 March 2021

**Extent to which the audit was considered capable of detecting irregularities, including fraud (continued)**

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management and those charged with governance around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

**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 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.

.....  
**Date** .....

**Nick Bennett, Senior Statutory Auditor**  
**For and on behalf of Azets Audit Services, Statutory Auditor**  
**Chartered Accountants**  
**Exchange Place 3**  
**Semple Street**  
**Edinburgh**  
**EH3 8BL**

**CEC RECOVERY LIMITED****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME**

For the year ended 31 March 2021

|   | Notes | 2021<br>£        | 2020<br>£       |
|---|-------|------------------|-----------------|
| <b>Continuing Operations</b>            |       |                  |                 |
| Revenue                                 | 5     | 1,141            | 6,223           |
|   |       | <u>1,141</u>     | <u>6,223</u>    |
| Other Operating Charges                 |       | (41,141 )        | (4,885 )        |
|   |       | <u>(41,141 )</u> | <u>(4,885 )</u> |
| <b>Operating (deficit) / surplus</b>    | 6     | (40,000 )        | 1,338           |
| <b>Surplus for the year before tax</b>  |       | <u>(40,000 )</u> | <u>1,338</u>    |
| Tax                                     | 8     | -                | (64 )           |
| <b>Surplus / (Deficit) for the year</b> |       | <u>(40,000 )</u> | <u>1,274</u>    |

The accompanying notes on pages 11-17 form an integral part of these financial statements.

**CEC RECOVERY LIMITED**  
**STATEMENT OF FINANCIAL POSITION**

As at 31 March 2021

|  | Notes | 2021<br>£            | 2020<br>£             |
|--|-------|----------------------|-----------------------|
| <b>Non-Current assets</b>                      |       |                      |                       |
| Land   |       | -                    | -                     |
| Non-current assets classified as held for sale | 9     | <u>60,000</u>        | <u>100,000</u>        |
|  |       | 60,000               | 100,000               |
| <b>Current Assets</b>                          |       |                      |                       |
| Debtor   | 11    | <u>1,911</u>         | <u>3,053</u>          |
| <b>Total Assets</b>                            |       | <u><u>61,911</u></u> | <u><u>103,053</u></u> |
| <b>Equity</b>                                  |       |                      |                       |
| Share Capital                                  | 10    | 1,000                | 1,000                 |
| Retained earnings                              |       | <u>60,274</u>        | <u>100,274</u>        |
| <b>Total Equity</b>                            |       | <u><u>61,274</u></u> | <u><u>101,274</u></u> |
| <b>Current Liabilities</b>                     |       |                      |                       |
| Trade and other payables                       | 12    | <u>637</u>           | <u>1,779</u>          |
| <b>Total Liabilities</b>                       |       | <u><u>637</u></u>    | <u><u>1,779</u></u>   |
| <b>Total Equity and Liabilities</b>            |       | <u><u>61,911</u></u> | <u><u>103,053</u></u> |

The financial statements on pages 8 - 17 were approved by the Director and authorised for issue on .....

**H J Dunn**  
Director

**Company Registration Number: SC230949 (Scotland)**

The accompanying notes on pages 11-17 form an integral part of these financial statements.

**CEC RECOVERY LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
For the year ended 31 March 2021

|                                   | Notes | Share<br>Capital<br>£ | Retained<br>Earnings<br>£ | Total<br>Equity<br>£ |
|-----------------------------------|-------|-----------------------|---------------------------|----------------------|
| <b>At 1 April 2019</b>            |       | <u>1,000</u>          | <u>99,000</u>             | <u>100,000</u>       |
| Surplus for the year              |       | -                     | 1,274                     | 1,274                |
| <b>Total comprehensive income</b> |       |                       |                           |                      |
| <b>At 1 April 2020</b>            |       | <u>1,000</u>          | <u>100,274</u>            | <u>101,274</u>       |
| Surplus for the year              |       | -                     | (40,000 )                 | (40,000 )            |
| <b>Total comprehensive income</b> |       |                       |                           |                      |
| <b>At 31 March 2021</b>           |       | <u>1,000</u>          | <u>60,274</u>             | <u>61,274</u>        |

**CASH FLOW STATEMENT**

For the year ended 31 March 2021

|   | Notes | 2021<br>£ | 2020<br>£ |
|---|-------|-----------|-----------|
| <b>Cash from operating activities</b>             |       |           |           |
| Cash generated from operations                    | 13    | -         | 64        |
| Corporation tax paid                              |       | -         | 64        |
| Net cash from operating activities                |       | <u>-</u>  | <u>-</u>  |
| <b>Cash flows from investing activities</b>       |       |           |           |
| Proceeds from Sale of held for sale asset         |       | -         | -         |
| Net cash used in investing activities             |       | <u>-</u>  | <u>-</u>  |
| <b>Cash flows from financing activities</b>       |       |           |           |
| Dividends paid                                    |       | -         | -         |
| Net cash used in financing activities             |       | <u>-</u>  | <u>-</u>  |
| <b>Net increase in cash and cash equivalents</b>  |       | -         | -         |
| Cash and cash equivalents at 1 April 2020         |       | -         | -         |
| <b>Cash and cash equivalents at 31 March 2021</b> |       | <u>-</u>  | <u>-</u>  |

The accompanying notes on pages 11-17 form an integral part of these financial statements.

## **CEC RECOVERY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

#### **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**

will continue in existence for the foreseeable future. The company also continues to receive support from the City of Edinburgh Council. The Director is therefore of the opinion that it is appropriate to prepare these financial statements on a going concern basis. The ongoing effects of COVID-19 are not expected to impact on this status.

##### **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.

##### **Leasing**

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

##### **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 its 2011-2012 financial statements.

## **CEC RECOVERY LIMITED**

### **NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

## **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 statement of financial position 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 statement of financial position 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 statement of financial position 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 Director's best estimate of the expenditure required to settle the obligation at the statement of financial position date.

### **Assets Held for Sale**

Assets held for sale consist of property held by the company that has been actively marketed for sale during the period. Impairment losses are recognised immediately in the Statement of Profit and Loss.

## CEC RECOVERY LIMITED

### NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2021

#### 2 Significant Accounting Policies (continued)

##### Impairment of Assets held for sale

The carrying amount of the company's assets is reviewed at the Statement of Financial Position date to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable amount is estimated.

Impairment is recognised when there is objective evidence that a specific asset is impaired. Objective evidence of impairment might include a significant or prolonged decline in market value below the original cost of the asset.

The amount of the cumulative loss that is recognised in profit or loss is the difference between the acquisition cost and current fair value, less any impairment loss or depreciation on that financial asset previously recognised in profit or loss. Impairment losses recognised in the Income Statement on available for sale financial assets are not reversed through the Statement of Profit and Loss.

##### 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 April 2020 and have no material impact on the financial statements:

- IFRS 3 - Amendment to definition of a business
- IAS 1 and IAS 8 - Amendment to definition of material
- Conceptual Framework for Financial Reporting- revised
- IFRS 17 - Insurance Contracts

##### 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 statements:

| <i>International Accounting Standards and Interpretations</i> |  | <i>Effective for periods beginning on or after</i> |
|---|--|--|
| IBOR Reform   | Effects on Financial Reporting                       | 1 January 2021                                     |
| IFRS:2018 - 2020 Cycle  | Annual Improvements                                  | 1 January 2022                                     |
| Conceptual Framework  | Revised conceptual framework for financial reporting | 1 January 2022                                     |
| IAS 37  | Provisions, Contingent Liabilities and Assets        | 1 January 2022                                     |
| IAS 16  | Property, Plant and Equipment                        | 1 January 2022                                     |
| IFRS 17   | Insurance Contracts                                  | 1 January 2023                                     |
| IAS 1   | Amendment  | 1 January 2023                                     |

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.

**CEC RECOVERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

**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 limited number of trading transactions 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 limited number of trading transactions, there has been no requirement for any estimation within the financial statements.

**5 Revenue**

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

|                | 2021         | 2020         |
|----------------|--------------|--------------|
|                | £            | £            |
| Other projects | 1,141        | 2,923        |
| Rental income  | -            | 3,300        |
|                | <u>1,141</u> | <u>6,223</u> |

**6 Operating Deficit**

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

|   | 2021     | 2020 |
|---|----------|------|
|   | £        | £    |
| Depreciation of tangible assets             | -        | -    |
| Loss on revaluation of assets held for sale | (40,000) | -    |

The analysis of auditor's remuneration is as follows:

|  |                 |          |
|--|-----------------|----------|
| Fees payable for the audit of the Company's financial statements | -               | -        |
| Total audit fees   | <u>(40,000)</u> | <u>-</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.



**CEC RECOVERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

**7 Director's remuneration**

There were no salaries or benefits payable to the executive director and fees payable to non executive director.

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

**8 Tax**

|                         | 2021     | 2020      |
|-------------------------|----------|-----------|
|                         | £        | £         |
| Current Tax (see below) | <u>-</u> | <u>64</u> |

Corporation tax is calculated at 19% (2020: 19%) 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:

|  | 2021            | 2020         |
|--|-----------------|--------------|
|  | £               | £            |
| (Deficit)/Surplus on ordinary activities before tax          | <u>(40,000)</u> | <u>1,338</u> |
| Tax credit at the UK corporation tax rate of 19% (2020: 19%) | -               | 254          |
| Effects of:  |                 |              |
| Fixed assets differences                                     | -               | -            |
| Expenses not deductible for tax purposes                     | -               | -            |
| Income not taxable for tax purposes                          | -               | 64           |
| Group relief surrendered                                     | -               | -            |
| Group relief claimed   | -               | 64           |
| Adjustment/remeasurement to deferred tax                     | -               | 190          |
| Current tax charge for the year                              | <u>-</u>        | <u>64</u>    |

**CEC RECOVERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

**9 Assets classified as held for sale**

|                        | 2021          | 2020           |
|------------------------|---------------|----------------|
|                        | £             | £              |
| Property held for sale | 100,000       | 100,000        |
| Revaluation loss       | (40,000)      | -              |
|                        | <u>60,000</u> | <u>100,000</u> |

The land at Winchburgh is currently held for sale. During 2019/20 discussions commenced with a prospective purchaser for the site, prompting the change in classification to an asset held for sale. The effect of COVID-19 has put these negotiations on hold but these are hoped to resume in the near future.

**10 Share capital**

|  | 2021         | 2020         |
|--|--------------|--------------|
|  | £            | £            |
| Issues and fully paid:<br>1,000 ordinary shares of £1 each | <u>1,000</u> | <u>1,000</u> |

**11 Debtors**

|               | 2021         | 2020         |
|---------------|--------------|--------------|
|               | £            | £            |
| Trade Debtors | 1,222        | 2,398        |
| Prepayments   | 689          | 655          |
|               | <u>1,911</u> | <u>3,053</u> |

**12 Trade and Other Payables**

|                                   | 2021       | 2020         |
|-----------------------------------|------------|--------------|
|                                   | £          | £            |
| Trade creditors                   | 573        | 1,715        |
| Amounts due to Group undertakings | 64         | 64           |
|                                   | <u>637</u> | <u>1,779</u> |

**CEC RECOVERY LIMITED****NOTES TO THE FINANCIAL STATEMENTS**

For the year ended 31 March 2021

**13 Cash generated from operations**

|   | 2021            | 2020             |
|---|-----------------|------------------|
|   | £               | £                |
| Surplus / (Deficit) before tax                          | (40,000 )       | 1,338            |
| Adjustments for:  |                 |                  |
| Investment revenues                                     | -               | -                |
| Impairment charges                                      | 40,000          | -                |
| Finance costs   | -               | -                |
| Depreciation of property, plant and equipment           | -               | -                |
| Deferred income released in the year                    | -               | -                |
| Operating cash flows before movement in working capital | <u>-</u>        | <u>1,338</u>     |
| (Increase) / Decrease in receivables                    | -               | (3,053 )         |
| (Increase) / Decrease in payables                       | -               | 1,779            |
| <b>Cash from operations</b>                             | <u><u>-</u></u> | <u><u>64</u></u> |

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

|   | 2021  | 2020    |
|---|-------|---------|
|   | £     | £       |
| <b>The City of Edinburgh Council</b>      |       |         |
| Legal expenses and other costs reimbursed | 1,141 | 1,585   |
| <b>Transport Scotland</b>                 |       |         |
| Other Payments                            | - 116 | - 1,060 |

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

|                    | 2021  | 2020    |
|--------------------|-------|---------|
|                    | £     | £       |
| Transport Scotland | - 116 | - 1,060 |

**15 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 and there is currently ongoing legal action involving the company.