

Registration No: SC230949 (Scotland)

CEC RECOVERY LIMITED
UNAUDITED FINANCIAL STATEMENTS
For the year ended 31 March 2023

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

CEC RECOVERY LIMITED
STATEMENT OF FINANCIAL POSITION
As at 31 March 2023

	Notes	2023 £	2022 £
Non-Current assets			
Non-current assets classified as held for sale	6	<u>60,000</u>	<u>60,000</u>
		60,000	60,000
Current Assets			
Debtor	8	<u>2,612</u>	<u>2,612</u>
Total Assets		<u><u>62,612</u></u>	<u><u>62,612</u></u>
Equity			
Share Capital	7	1,000	1,000
Retained earnings		<u>61,612</u>	<u>61,612</u>
Total Equity		<u><u>62,612</u></u>	<u><u>62,612</u></u>
Current Liabilities			
Trade and other payables	9	<u>-</u>	<u>-</u>
Total Liabilities		<u><u>-</u></u>	<u><u>-</u></u>
Total Equity and Liabilities		<u><u>62,612</u></u>	<u><u>62,612</u></u>

The director of the company has elected not to include a copy of the profit and loss account within the financial statements.

For the financial year ended 31 March 2023 the company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

The director acknowledges his responsibilities for complying with the requirements of the Companies Act 2006 with respect to accounting records and the preparation of financial statements.

The member has not required the company to obtain an audit of the financial statements for the year in question in accordance with section 476.

These financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies regime.

The financial statements were approved by the Director and authorised for issue on 2 August 2023.

H J Dunn
Director

Company Registration Number: SC230949 (Scotland)

CEC RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2023

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 and the Companies Act 2006 applicable to companies reporting under IFRS.

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 land at Winchburgh and the Director considers that the company 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.

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.

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

For the year ended 31 March 2023

2 Significant Accounting Policies (continued)**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 land held by the company that is about to be actively marketed for sale. The assets are held at valuation in the Statement of Financial Position. Impairment losses are recognised immediately in the Statement of Profit and Loss.

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.

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2023

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 Director's remuneration

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

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

6 Assets classified as held for sale

	2023	2022
	£	£
Land held for sale	60,000	60,000
Revaluation loss	-	-
	<u>60,000</u>	<u>60,000</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 put these negotiations on hold and preparations are now being made to market the property.

7 Share capital

	2023	2022
	£	£
Issues and fully paid:		
1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

8 Debtors

	2023	2022
	£	£
Trade Debtors	1,963	1,982
Prepayments	649	630
	<u>2,612</u>	<u>2,612</u>

CEC RECOVERY LIMITED
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For the year ended 31 March 2023

9 Trade and Other Payables

	2023	2022
	£	£
Trade creditors	-	-
Amounts due to Group undertakings	-	-
	<u>-</u>	<u>-</u>
	<u>-</u>	<u>-</u>

10 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:

	2023	2022
	£	£
The City of Edinburgh Council		
Legal expenses and other costs reimbursed	2,775	1,243
Transport Edinburgh Ltd		
Group tax relief	0	64
Transport Scotland		
Other Payments	(4,093)	(1,300)

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

	2023	2022
	£	£
Transport Scotland	(4,093)	(1,300)

11 Contingencies

CEC Recovery Limited in common with other parties involved in the Edinburgh Tram project Phase 1 is considering its possible legal remedies in relation to this project and there is currently ongoing legal action involving the company.