

Registration No: SC230949 (Scotland)

CEC RECOVERY LIMITED
DIRECTOR'S REPORT
AND
UNAUDITED FINANCIAL STATEMENTS

For the year ended 31 March 2024

CEC RECOVERY LIMITED

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**CEC RECOVERY LIMITED
COMPANY INFORMATION**

Directors Paul Lawrence (appointed 8 April 2024)
Hugh 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

Accountant Azets Audit Services
Exchange Place 3
Semple Street
Edinburgh
EH3 8BL

Bankers None

CEC RECOVERY LIMITED
STRATEGIC REPORT

For the year ended 31 March 2024

The directors present the strategic report for the year ended 31 March 2024.

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 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.

Key Performance Indicators

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

.....
Paul Lawrence
Director

Date

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

CEC RECOVERY LIMITED

DIRECTORS REPORT

For the year ended 31 March 2024

The directors presents the report and unaudited financial statements for the year ended 31 March 2024.

Directors

The directors who served up to the signing of the accounts were:

P Lawrence (appointed 8 April 2024)

H 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 Directors

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 prepared the group and parent company financial statements in accordance with International Financial Reporting Standards (IFRSs). 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 group and the company and of the profit or loss of the group for that period. In preparing these financial statements, the Directors are 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; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

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 the group and enable them 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. They are 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.

This report has been approved and signed by:

.....

Date

.....

P Lawrence

Director

Company registered office:

Waverley Court

4 East Market Street

Edinburgh

EH8 8BG

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

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Continuing Operations			
Revenue	5	2,921	2,775
		<u>2,921</u>	<u>2,775</u>
Other Operating Charges		(2,921)	(2,775)
		<u>(2,921)</u>	<u>(2,775)</u>
Operating (deficit) / surplus	6	-	-
		<u>-</u>	<u>-</u>
Surplus for the year before tax		<u>-</u>	<u>-</u>
Tax	8	-	-
		<u>-</u>	<u>-</u>
Surplus / (Deficit) for the year		<u>-</u>	<u>-</u>

The accompanying notes on pages 7-13 form an integral part of these financial statements.

CEC RECOVERY LIMITED
STATEMENT OF FINANCIAL POSITION

As at 31 March 2024

	Notes	2024 £	2023 £
Non-Current assets			
Non-current assets classified as held for sale	9	<u>60,000</u>	<u>60,000</u>
		60,000	60,000
Current Assets			
Debtor	11	<u>2,612</u>	<u>2,612</u>
Total Assets			
		<u>62,612</u>	<u>62,612</u>
Equity			
Share Capital	10	1,000	1,000
Retained earnings		<u>61,612</u>	<u>61,612</u>
Total Equity		<u>62,612</u>	<u>62,612</u>
Current Liabilities			
Trade and other payables	12	<u>-</u>	<u>-</u>
Total Liabilities			
		<u>-</u>	<u>-</u>
Total Equity and Liabilities			
		<u>62,612</u>	<u>62,612</u>

The financial statements on pages 4 - 13 were approved by the Director and authorised for issue on

P Lawrence
Director

Company Registration Number: SC230949 (Scotland)

The accompanying notes on pages 7-13 form an integral part of these financial statements.

CEC RECOVERY LIMITED
STATEMENT OF CHANGES IN EQUITY
For the year ended 31 March 2024

	Notes	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2022		<u>1,000</u>	<u>61,612</u>	<u>62,612</u>
Surplus for the year		-	-	-
Total comprehensive income		<u>1,000</u>	<u>61,612</u>	<u>62,612</u>
At 1 April 2023		<u>1,000</u>	<u>61,612</u>	<u>62,612</u>
Surplus for the year		-	-	-
Total comprehensive income		<u>1,000</u>	<u>61,612</u>	<u>62,612</u>
At 31 March 2024		<u><u>1,000</u></u>	<u><u>61,612</u></u>	<u><u>62,612</u></u>

CASH FLOW STATEMENT

For the year ended 31 March 2024

	Notes	2024 £	2023 £
Cash from operating activities			
Cash generated from operations	13	-	-
Corporation tax paid		-	-
Net cash from operating activities		<u>-</u>	<u>-</u>
Cash flows from investing activities			
Proceeds from Sale of held for sale asset		-	-
Net cash used in investing activities		<u>-</u>	<u>-</u>
Cash flows from financing activities			
Dividends paid		-	-
Net cash used in financing activities		<u>-</u>	<u>-</u>
Net increase in cash and cash equivalents		-	-
Cash and cash equivalents at 1 April 2023		-	-
Cash and cash equivalents at 31 March 2024		<u><u>-</u></u>	<u><u>-</u></u>

The accompanying notes on pages 7-13 form an integral part of these financial statements.

CEC RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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.

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 2024

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 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.

CEC RECOVERY LIMITED

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 31 March 2024

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 2023 and have no material impact on the financial statements:

IAS 1 Presentation of Financial Statements

IAS 8 Accounting Policies

IAS 12 Income Taxes

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>
IFRS 16	Lease Liability - Amendment	1 January 2024
IAS 1	Presentation of Financial Statements - Amendment	1 January 2024
IAS 7 and IFRS 7	Supplier Finance Arrangement - Amendment	1 January 2024
IAS 21	Lack of Exchangeability - Amendment	1 January 2025

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 2024

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:

	2024	2023
	£	£
Other projects	2,921	2,775
	<u>2,921</u>	<u>2,775</u>

6 Operating Deficit

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

	2024	2023
	£	£
Depreciation of tangible assets	-	-
Loss on revaluation of assets held for sale	-	-

The analysis of auditor's remuneration is as follows:

Fees payable for the audit of the Company's financial statements	-	-
Total audit fees	<u>-</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. The company was entitled to exemption from audit under section 479A of the Companies Act 2006 relating to subsidiary companies.

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

For the year ended 31 March 2024

7 Directors' remuneration

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

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

8 Tax

	2024	2023
	£	£
Current Tax (see below)	<u>-</u>	<u>-</u>

Corporation tax is calculated at 19% (2023: 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:

	2024	2023
	£	£
(Deficit)/Surplus on ordinary activities before tax	<u>-</u>	<u>-</u>
Tax credit at the UK corporation tax rate of 19% (2023: 19%)	-	-
Effects of:		
Adjustment to tax charge in respect of previous periods	-	-
Expenses not deductible for tax purposes	-	-
Income not taxable for tax purposes	-	-
Group relief surrendered	-	-
Group relief claimed	-	-
Adjustment/remasurement to deferred tax	-	-
Current tax (credit) / charge for the year	<u>-</u>	<u>-</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
For the year ended 31 March 2024

9 Assets classified as held for sale

	2024	2023
	£	£
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 has put these negotiations on hold but these are hoped to resume in the near future.

10 Share capital

	2024	2023
	£	£
Issues and fully paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

11 Debtors

	2024	2023
	£	£
Trade Debtors	1,938	1,963
Prepayments	674	649
	<u>2,612</u>	<u>2,612</u>

12 Trade and Other Payables

	2024	2023
	£	£
Trade creditors	-	-
Amounts due to Group undertakings	-	-
	<u>-</u>	<u>-</u>

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

For the year ended 31 March 2024

13 Cash generated from operations

	2024	2023
	£	£
Surplus / (Deficit) before tax	-	-
Adjustments for:		
Investment revenues	-	-
Impairment charges	-	-
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>-</u>
(Increase) / Decrease in receivables		-
Increase / (Decrease) in payables		-
Net (increase) / decrease in cash from operations	<u><u>-</u></u>	<u><u>-</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:

	2024	2023
	£	£
The City of Edinburgh Council		
Legal expenses and other costs reimbursed	2,921	2,775
Transport Edinburgh Ltd		
Group tax relief	-	-
Transport Scotland		
Other Payments	(7,038)	(4,093)

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

	2024	2023
	£	£
Transport Scotland	(7,038)	(4,093)

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.