

Registration No: SC230949 (Scotland)

CEC RECOVERY LIMITED (FORMERLY TIE LIMITED)

**DIRECTOR'S REPORT
AND
AUDITED FINANCIAL STATEMENTS**
For the year ended 31 March 2014

WEDNESDAY



S3MWNC5F

SCT

17/12/2014

#593

COMPANIES HOUSE

TIE00899952_0001

CEC RECOVERY LIMITED

CONTENTS

Company Information	1
Strategic Report	2
Director's Report	3 - 4
Independent Auditor's Report	5 - 6
Statement of Profit or Loss	7
Statement of Other Comprehensive Income	7
Statement of Financial Position	8
Statement of Changes in Equity	9
Cash Flow Statement	9
Notes to the financial statements	10-16

CEC RECOVERY LIMITED

COMPANY INFORMATION

Director	H J Dunn
Secretary	A Coyle
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 2014

The director presents the strategic report for the year ended 31 March 2014.

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 is actively pursuing the transferral of project documentation to Transport Scotland but meantime continues to manage the rental property acquired for the project on their behalf.

Key Performance Indicators

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



H J Dunn
Director

Date 12th December 2014

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

CEC RECOVERY LIMITED

DIRECTOR'S REPORT

for the year ended 31 March 2014

The director presents the report and audited financial statements for the year ended 31 March 2014.

Directors

The directors who served during the year were:

A Coyle (resigned 6 June 2014)

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 2014

Disclosure of information to the auditor

The director of the company, named in the Company information, confirms that to the best of his knowledge and belief:

- * the financial statements, prepared in accordance with IFRSs as adopted by the EU, give a true and fair view of the assets, liabilities, financial position and profit of the company; and
- * the strategic report contained in the annual report includes a fair review of the development and performance of the business and the position of the company, together with a description of the principal risks and uncertainties that it faces.

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 on his behalf by:



H J Dunn
Director

Date

12th December 2014

**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 2014

We have audited the financial statements of CEC Recovery Limited for the year ended 31 March 2014 which comprise the Statement of Profit or Loss, Statement of 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 the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union as applied in accordance with the provisions of the Companies Act 2006.

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

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 2014 and of the company's results for the year then ended;
- * the financial statements have been properly prepared in accordance with IFRSs as adopted by the European Union; and
- * the financial statements 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 the information given in the Director's Report and Strategic Report for the financial year for which the financial statements are prepared is consistent with the financial statements.


CEC RECOVERY LIMITED
INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDER - continued

For the year ended 31 March 2014

Matters on which we are required to report by exception

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- * adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- * the financial statements are not in agreement with the accounting records and returns; or
- * certain disclosures of 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
Seiple Street
Edinburgh
EH3 8BL

Date: 16 December 2014

CEC RECOVERY LIMITED
STATEMENT OF PROFIT OR LOSS
for the year ended 31 March 2014

	Notes	2014 £	2013 £
Discontinued Operations			
Revenue	5	11,400	(22,484)
External charges		0	(1,153)
		<u>11,400</u>	<u>(23,637)</u>
Staff Costs	7	0	(1,484)
Depreciation	11	(13,777)	(13,777)
Capital Payment amortisation	12	13,777	13,777
Bad Debts		0	(4,369)
Other Operating Charges		(11,400)	29,202
		<u>(11,400)</u>	<u>23,349</u>
Operating deficit	6	0	(288)
Investment revenues	9	0	29
Finance Costs		0	(741)
Deficit for the year before tax		0	(1,000)
Tax	10	0	0
Deficit for the year		<u>0</u>	<u>(1,000)</u>

CEC RECOVERY LIMITED
STATEMENT OF OTHER COMPREHENSIVE INCOME
for the year ended 31 March 2014

	Notes	2014 £	2013 £
Deficit for the year		0	(1,000)
Actuarial gain on defined benefit pension scheme		0	0
Total Comprehensive Income		<u>0</u>	<u>(1,000)</u>

The accompanying notes form an integral part of these financial statements

CEC RECOVERY LIMITED
STATEMENT OF FINANCIAL POSITION
as at 31 March 2014

	Notes	2014 £	2013 £
Non-Current assets			
Property, plant and equipment	11	<u>609,153</u>	<u>622,930</u>
Total Assets		<u><u>609,153</u></u>	<u><u>622,930</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>(609,153)</u>	<u>(622,930)</u>
Total Non Current Liabilities		<u><u>(609,153)</u></u>	<u><u>(622,930)</u></u>
Total Liabilities		<u><u>(609,153)</u></u>	<u><u>(622,930)</u></u>
Total Equity and Liabilities		<u><u>(609,153)</u></u>	<u><u>(622,930)</u></u>

The financial statements on pages 7 - 16 were approved by the Director and authorised for issue on 11 December 2014.



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 2014

	Notes	Share Capital £	Retained Earnings £	Total Equity £
At 1 April 2012		<u>1,000</u>	<u>0</u>	<u>1,000</u>
Deficit for the year		0	(1,000)	(1,000)
Total comprehensive income		<u>0</u>	<u>(1,000)</u>	<u>(1,000)</u>
At 1 April 2013		<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 2014		<u>1,000</u>	<u>(1,000)</u>	<u>0</u>

CEC RECOVERY LIMITED
CASH FLOW STATEMENT
for the year ended 31 March 2014

	Notes	2014 £	2013 £
Cash from operating activities			
Cash generated from operations	14	0	4,670
Corporation tax paid		<u>0</u>	<u>(69)</u>
Net cash from operating activities		<u>0</u>	<u>4,601</u>
Cash flows from investing activities			
Interest received		<u>0</u>	<u>29</u>
Net cash used in investing activities		<u>0</u>	<u>29</u>
Cash flows from financing activities			
Finance costs		<u>0</u>	<u>(741)</u>
Net cash used in financing activities		<u>0</u>	<u>(741)</u>
Net increase in cash and cash equivalents		0	3,889
Cash and cash equivalents at 1 April 2013		<u>0</u>	<u>(3,889)</u>
Cash and cash equivalents at 31 March 2014		<u>0</u>	<u>0</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 2014

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.

2 Significant Accounting Policies (continued)

Standards and interpretation in issue not yet effective

The following new and revised standards and interpretations have been issued but are not yet effective and have therefore not been adopted in these financial statements. The standards and interpretations listed below are not expected to have a material impact on the Company's results or assets and liabilities.

IFRS 9 Financial Instruments - amendment	Effective for periods commencing on or after 1 January 2015 but will not be considered for endorsement by the EU until the remaining elements of the project have been completed.
IFRS 10 'Consolidated Financial Statements'	Effective for periods commencing on or after 1 January 2014
IFRS 11 'Joint Arrangements'	Effective for periods commencing on or after 1 January 2014 and replaces IAS 31 'Interests in Joint Ventures.'
IFRS 12 'Disclosure of Interests in Other Entities'	Effective for periods commencing on or after 1 January 2014

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.

5 Revenue

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

	2014	2013
	£	£
Tram project	0	(28,525)
Other projects	0	6,041
Rental income	11,400	0
	<u>11,400</u>	<u>(22,484)</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

6 Operating Deficit

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

	2014	2013
	£	£
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	<u>0</u>	<u>2,750</u>
Total audit fees	<u>0</u>	<u>2,750</u>

Since the company ceased trading, the City of Edinburgh Council as sole shareholder, has assumed responsibility for the administration costs of the company.

7 Staff Costs

	2014	2013
	£	£
Salaries and wages	0	(544)
Social security costs	0	197
Other pension gains	0	1,831
	<u>0</u>	<u>1,484</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

	2014	2013
	£	£
Investment revenues		
Bank Interest Receivable	<u>0</u>	<u>29</u>
	<u>0</u>	<u>29</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

10 Tax

	2014	2013
	£	£
Current Tax (see below)	<u>0</u>	<u>0</u>

Corporation tax is calculated at 23% (2013: 24%) 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:

	2014	2013
	£	£
Deficit on ordinary activities before tax	<u>0</u>	<u>(1,000)</u>
Tax credit at the UK corporation tax rate of 23 % (2013 - 24%)	0	(240)
Effects of:		
Other tax adjustments	<u>0</u>	<u>240</u>
Current tax charge for the year	<u>0</u>	<u>240</u>

11 Property, plant and equipment

	Heritable Property	Total
	£	£
Cost		
At 1 April 2012	688,822	688,822
Additions	0	0
Disposals	<u>0</u>	<u>0</u>
At 1 April 2013 and 31 March 2014	<u>688,822</u>	<u>688,822</u>
Depreciation		
At 1 April 2012	52,115	52,115
Charge for the year	<u>13,777</u>	<u>13,777</u>
At 1 April 2013	65,892	65,892
Charge for the year	<u>13,777</u>	<u>13,777</u>
At 31 March 2014	<u>79,669</u>	<u>79,669</u>
Net book amount		
At 31 March 2014	<u>609,153</u>	<u>609,153</u>
At 31 March 2013	<u>622,930</u>	<u>622,930</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

12 Deferred income

	2014	2013
	£	£
At 1 April	622,930	636,707
Amortisation in the year	<u>(13,777)</u>	<u>(13,777)</u>
	<u>609,153</u>	<u>622,930</u>

Deferred income represents the 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

	2014	2013
	£	£
Issues and fully paid: 1,000 ordinary shares of £1 each	<u>1,000</u>	<u>1,000</u>

14 Cash generated from operations

	2014	2013
	£	£
Deficit before tax	0	(1,000)
Adjustments for:		
Investment revenues	0	(29)
Finance costs	0	741
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	(288)
Decrease in receivables	0	182,308
Decrease in payables	0	(177,350)
Cash from operations	<u>0</u>	<u>4,670</u>

CEC RECOVERY LIMITED
NOTES TO THE FINANCIAL STATEMENTS
for the year ended 31 March 2014

15 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:

	2014	2013
	£	£
<i>City of Edinburgh Council</i>		
Services provided to, invoiced in year	0	0
Credit notes issued to, in year	0	187,797
Services provide by, recharged in year	0	0

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

	2014	2013
	£	£
City of Edinburgh Council	0	0

16 Subsequent events

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.