

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED**  
**31 DECEMBER 2013**

# PARC CRAIGMILLAR DEVELOPMENTS LIMITED

## FINANCIAL STATEMENTS

YEAR ENDED 31 DECEMBER 2013

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# PARC CRAIGMILLAR DEVELOPMENTS LIMITED

## OFFICERS AND PROFESSIONAL ADVISERS

YEAR ENDED 31 DECEMBER 2013

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**The Board of Directors**

E W Adair  
S I McGavin (Resigned 1/10/2013)  
F W Ross (Appointed 1/10/2013)

**Registered Office**

7-9 North St David Street  
Edinburgh  
EH2 1AW

**Auditor**

Scott-Moncrieff  
Chartered Accountants & Statutory Auditor  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

# PARC CRAIGMILLAR DEVELOPMENTS LIMITED

## THE DIRECTORS' REPORT

### YEAR ENDED 31 DECEMBER 2013

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The directors present their report and the financial statements of the company for the year ended 31 December 2013.

#### **Principal activities**

Parc Craigmillar Developments Limited is a company limited by shares which is incorporated and domiciled in Scotland.

The principal activity of the company during the year was providing property development and construction services to its parent company, Parc Craigmillar Limited, in connection with promoting and regenerating the Craigmillar district of Edinburgh.

#### **Directors**

The directors who served the company during the year were as follows:

E W Adair

S I McGavin (Resigned 1/10/2013)

F W Ross (Appointed 1/10/2013)

#### **Directors' responsibilities**

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 elected to prepare the financial statements in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union. 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 company and the profit or loss of the company for that period.

In preparing these financial statements, the directors are also required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and 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 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 enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and
- the directors have taken all steps that they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of that information.

# PARC CRAIGMILLAR DEVELOPMENTS LIMITED

## THE DIRECTORS' REPORT *(continued)*

YEAR ENDED 31 DECEMBER 2013

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### Auditor

Scott-Moncrieff are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

### Small company provisions

This report has been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006.

Signed by order of the directors



E W Adair

Director

Approved by the directors on 20th May 2014

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**YEAR ENDED 31 DECEMBER 2013**

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**Independent Auditor's Report to the Members of Parc Craigmillar Developments Limited**

We have audited the financial statements of Parc Craigmillar Developments Limited for the year ended 31 December 2013 which comprise of the statement of comprehensive income, statement of changes in equity, statement of financial position and the notes to the financial statements. 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 directors and auditor**

As explained more fully in the Directors' Responsibilities Statement set out on page 3, the directors are 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 of 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/apb/scope/private.cfm](http://www.frc.org.uk/apb/scope/private.cfm).

**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 December 2013 and of its loss 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 matter prescribed by the Companies Act 2006**

In our opinion the information given in the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements.

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF**  
**PARC CRAIGMILLAR DEVELOPMENTS LIMITED (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

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**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 directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies' regime and take advantage of the small companies' exemption in preparing the directors' report; or
- the directors were not exempt from the requirement to prepare a strategic report



**Nick Bennett, Senior Statutory Auditor**  
**For and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Exchange Place 3**  
**Seemple Street**  
**Edinburgh**  
**EH3 8BL**

20 May 2014

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**STATEMENT OF COMPREHENSIVE INCOME**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	Notes	2013 £	2012 £
Revenue	4	480,914	2,065,871
Cost of sales		(480,914)	(2,065,871)
<b>GROSS PROFIT</b>		<u>0</u>	<u>0</u>
Administrative expenses		(3,000)	(4,347)
<b>LOSS BEFORE TAX</b>		<u>(3,000)</u>	<u>(4,347)</u>
Corporation tax	7	662	1,065
<b>LOSS FOR THE YEAR</b>		<u>(2,338)</u>	<u>(3,282)</u>

The accompanying notes on pages 10 to 16 form part of these financial statements



**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**STATEMENT OF CHANGES IN EQUITY**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

	<b>Issued Capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
Balance at 1 January 2013	100	25,978	26,078
Loss for the year	-	(2,338)	(2,338)
Total recognised income for the year	-	(2,338)	(2,338)
Balance at 31 December 2013	100	23,640	23,740
	<b>Issued Capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
Balance at 1 January 2012	100	29,260	29,360
Loss for the year	-	(3,282)	(3,282)
Total recognised income for the year	-	(3,282)	(3,282)
Balance at 31 December 2012	100	25,978	26,078

The retained earnings reserve represents profits and losses retained in the current and previous periods.

The accompanying notes on pages 10 to 16 form part of these financial statements

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**STATEMENT OF FINANCIAL POSITION**  
**AS AT 31 DECEMBER 2013**

	Notes	2013 £	2012 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Trade and other receivables	8	711,632	941,009
<b>TOTAL ASSETS</b>		<u>711,632</u>	<u>941,009</u>
<b>EQUITY</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital	9	100	100
Retained profits		23,640	25,978
<b>TOTAL EQUITY</b>		<u>23,740</u>	<u>26,078</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	687,892	914,931
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>711,632</u>	<u>941,009</u>

The financial statements were authorised for issue by the Board of Directors on 20<sup>th</sup> May 2014 and signed on its behalf by



E W Adair, Director

Company registration number: SC293641

The accompanying notes on pages 10 to 16 form part of these financial statements

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

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**1. Presentation of financial statements**

The company's financial statements have been prepared in accordance with International Financial Reporting Standards (IFRSs) as adopted by the European Union and as applied in accordance with the provisions of the Companies Act 2006.

**Standards issued but not yet effective**

There are standards which have been issued but are not yet effective at the date of issuance of the Parc Craigmillar Limited financial statements which the directors reasonably expect to be applicable at a future date. The intention is to adopt these standards when they become effective but early adoption has not been undertaken:

IFRS 12, 'Disclosure of interests in other entities', is endorsed by the EU to be effective for accounting periods beginning on or after 1 January 2014.

IAS 32 (amendment), 'Financial instruments: Presentation', is effective for accounting periods beginning on or after 1 January 2014.

IAS 39 (amendment), 'Financial instruments: Recognition and measurement', is effective for accounting periods beginning on or after 1 January 2014.

At the time of issuance of the Parc Craigmillar Limited financial statements, the following amendments and improvements had been published but were not incorporated as they were not in force and not endorsed for use in the EU:

IFRS 7, IFRS 9, IFRS 13, Improvements to IFRS 2010-2013, IAS 1, IAS 24, IAS 39 and IAS 40.

The directors do 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.

**2. Going Concern**

The company has a history of profitable operations and has successfully raised financing in the past to provide funding for its activities and to augment its working capital. Having regard to the company's existing working capital position the Directors are of the opinion that the company has adequate resources to enable it to undertake its planned activities over the next twelve months.

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

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**3. Accounting policies**

**Basis of preparation**

The financial statements have been prepared in accordance with International Financial Reporting Standards (IFRS) as adopted by the European Union and in accordance with UK companies legislation, as applicable to companies reporting under IFRS. These financial statements therefore comply with IFRS as adopted by the EU.

The principal accounting policies adopted to prepare the financial statements are set out below.

The financial statements do not include a cash flow statement because the company does not have its own bank account.

**Critical accounting estimates and sources of estimation uncertainty**

In applying the accounting policies, the directors may at times, require to make critical accounting judgements and estimates about the carrying amount of assets and liabilities. These estimates and assumptions, when made, are based on historical experience and other factors that the directors consider are relevant.

The directors consider that there are no accounting estimates that have been made; or sources of uncertainty in the current year or prior year that would have a material effect on these financial statements.

**Revenue recognition**

Revenue is measured at the fair value of consideration received from income from the Company's ordinary business activities. Revenue is stated net of discounts, sales and other taxes. Revenue from sales is recognised when persuasive evidence of an arrangement exists, the significant risks and rewards of ownership have been transferred to the buyer, the price is fixed and determinable and collectability is probable.

**Financial instruments**

Financial instruments are measured initially at cost, which is the fair value of what was paid or received to acquire or incur them.

After initial recognition, financial assets and liabilities may be classified into the following categories: financial assets or liabilities at fair value through profit or loss; held to maturity investments; available for sale financial assets; loans and receivables and other financial liabilities at amortised cost.

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

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**3. Accounting policies (continued)**

The company has the following categories of financial assets and liabilities:

***Trade and other receivables***

Trade and other receivables are initially measured at fair value, which is the original invoice amount, and subsequently measured at amortised cost, using the effective interest method. A provision for impairment is accounted for when management deems that specific receivable balances will not be collected. The amount of the impairment loss is recognised in the income statement. Bad debts are written off when they are identified as being bad.

***Trade and other payables***

Trade payables are initially measured at fair value and subsequently measured at amortised cost, using the effective interest method.

**Taxation**

The charge for current tax is based on the results for the year as adjusted for items which are non-assessable or disallowed. It is calculated using rates that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising from differences between the carrying amount of assets and liabilities in the financial statements and the corresponding tax basis used in the computation of taxable profit. In principle, deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill (or negative goodwill) or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction which affects neither the tax profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries and associates, and interests in joint ventures, except where the company is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

Deferred tax is calculated at the rates that are expected to apply when the asset or liability is settled. Deferred tax is charged or credited in the income statement, except when it relates to items credited or charged directly to equity, in which case the deferred tax is also dealt with in equity.

Deferred tax assets and liabilities are offset when they relate to income taxes levied by the same taxation authority and the company intends to settle its current tax assets and liabilities on a net basis.

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

**4. Revenue**

An analysis of revenue is as follows:

	2013 £	2012 £
Rendering of services	480,914	2,065,871
	<u>480,914</u>	<u>2,065,871</u>

**5. Directors**

No directors received emoluments from PARC Craigmillar Developments Limited in the year or the previous year. There were no other transactions with directors in the year.

**6. Auditor's remuneration**

During the year the following fees for audit services were paid to the company's auditor:

	2013 £	2012 £
Fees payable to the company's auditor for audit services	2,500	2,500
	<u>2,500</u>	<u>2,500</u>

**7. Corporation tax**  
**(a) Analysis of charge in the year**

	2013 £	2012 £
Current tax:		
Current corporation tax credit	(662)	(1,065)
	<u>(662)</u>	<u>(1,065)</u>

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

**(b) Factors affecting tax credit in the year**

The tax assessed for the year is different from that calculated using the standard rate of corporation tax in the UK of 23.25% (2012: 24.5%). The differences are explained below:

	2013	2012
	£	£
Loss on ordinary activities before tax	(3,000)	(4,347)
Loss on ordinary activities multiplied by standard rate of corporation tax of 23.25% (2012 : 24.5%)	(697)	(1,065)
Effects of:		
Expenses not deductible for tax purposes	35	-
Current tax credit in the year	(662)	(1,065)

**(c) Factors affecting future tax charges**

There are no specific factors which have been identified that will affect future tax charges.

**8. Trade and other receivables**

	2013	2012
	£	£
Amounts owed by group undertakings	710,970	939,944
Other receivables	662	1,065
	<u>711,632</u>	<u>941,009</u>

**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**FOR THE YEAR ENDED 31 DECEMBER 2013**

**9. Share capital**

Allotted, called up and fully paid:

	2013		2012	
	No	£	No	£
100 ordinary shares of £1 each	<u>100</u>	<u>100</u>	<u>100</u>	<u>100</u>

**10. Trade and other payables**

	2013	2012
	£	£
Payable to trade suppliers	96,832	118,938
Accruals	2,850	2,850
Amounts due to group undertakings	588,210	793,143
	<u>687,892</u>	<u>914,931</u>

**11. Parent undertakings and related party transactions**

The company is a wholly owned subsidiary of Parc Craigmillar Limited, a joint venture company owned equally by The EDI Group Limited and CEC Holdings Limited. Both companies are registered in Scotland and their financial statements can be obtained from their registered offices.

The ultimate controlling party is The City of Edinburgh Council.

During the year the company charged construction services of £480,914 (2012: £2,065,871) to Parc Craigmillar Limited. At the balance sheet date the company was owed £710,970 (2012: £935,011) by Parc Craigmillar Limited and was also owed £nil from EDI Group Limited (2012: £4,932).

At the balance sheet date the company owed £588,210 (2012: £793,143) to The EDI Group Limited.

**12. Financial commitments**

At the balance sheet date the company had contractual commitments of £469,816 (2012: £nil).



**PARC CRAIGMILLAR DEVELOPMENTS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS (continued)**  
**YEAR ENDED 31 DECEMBER 2013**

**13. Financial instruments and risk management**

The company has the following categories of financial instruments at the balance sheet date:

	2013 £	2012 £
<b>Financial assets</b>		
Loans and receivables		
- Trade and other receivables	711,632	941,009
	<u>711,632</u>	<u>941,009</u>
	2013 £	2012 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Trade and other payables	687,892	914,931
	<u>687,892</u>	<u>914,931</u>

**Capital risk management**

The company aims to manage its overall capital structure to ensure it continues to operate as a going concern. The company's capital structure represents the equity attributable to the shareholders of the company together with borrowings and cash equivalents. The directors are closely involved in the running of the company and are therefore fully aware of the capital position of the company at any point in time and any changes that circumstances bring. As a result they are in a position to address any issues that may arise on a timely basis.

**Risk management objectives**

The Board is charged with the overall responsibility of establishing and monitoring the company's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by the company. The company does not enter into or trade financial instruments for speculative purposes.

**Fair values**

The directors consider that the carrying values of all the company's financial assets and liabilities approximate their fair values at the balance sheet dates.

The company does not hold any financial instruments that are classified as fair value through the profit or loss or available for sale and therefore are measured at fair value.

**14. Events after the balance sheet date**

On 6 February 2014 the City of Edinburgh Council as the ultimate parent entity approved a restructuring of its property companies such that The EDI Group Limited will be reconstituted as the main property company held under CEC Holdings Limited with the City of Edinburgh Council remaining the ultimate parent company. The other arms-length property companies owned or jointly-owned by CEC Holdings Limited (Parc Craigmillar Limited, Parc Craigmillar Development Limited, Waterfront Edinburgh Limited and Shawfair Land Limited) will be restructured under The EDI Group Limited's control.

