

**SHAWFAIR LAND LIMITED**

**Directors' report and financial statements**

**For the year ended 31 December 2014**

**Registered number SC353458**

**SHAWFAIR LAND LIMITED**

**Directors' report and financial statements**

**For the year ended 31 December 2014**

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**SHAWFAIR LAND LIMITED**

**Officers and professional advisers**

**For the year ended 31 December 2014**

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**Directors**

Cllr Gordon Munro  
Cllr Frank Ross  
Mr Eric Adair  
Dr Deborah Benson  
Mr Hugh Rutherford  
Mr John Watt  
Cllr J Rust

**Registered office**

7-9 North St David Street  
Edinburgh  
EH2 1AW

**Registered number**

SC353458

**Bankers**

The Royal Bank of Scotland plc  
St Andrews Square  
Edinburgh  
EH2 2AD

**Auditor**

Scott- Moncrieff  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

# SHAWFAIR LAND LIMITED

## Directors' report

For the year ended 31 December 2014

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### Principal activity & review of the business

The principal activity of the company is land holding.

Shawfair Land was incorporated in January 2009, as a wholly-owned subsidiary of CEC Holdings. On 5th June 2014, ownership was transferred to The EDI Group Ltd, also a wholly-owned subsidiary of CEC Holdings.

Its purpose was to hold for redevelopment a 50% share of land held pro indiviso in the southeast of Edinburgh. The sale of this land was completed in 2014.

### Directors

The directors who served during the year were Councillor Gordon Munro, Councillor Frank Ross, Councillor Jason Rust (appointed 18/06/2014), Eric Adair (appointed 05/05/2014), Dr Deborah Benson (appointed 18/06/2014), Hugh Rutherford (appointed 18/06/2014), John Watt (appointed 18/06/2014) and Nick Cook (resigned 05/06/2014).

### 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 United Kingdom Generally Accepted Accounting Practice (United Kingdom Standards and applicable law). 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 of the profit or loss of the company 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 estimates that are reasonable and prudent; 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 maintaining 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 to take reasonable steps for the prevention and detection of fraud and other irregularities.

**SHAWFAIR LAND LIMITED**

**Directors' report**

**For the year ended 31 December 2014**

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**Disclosure of information to the auditor**

So far as the directors are aware, there is no relevant audit information of which the auditor is unaware, and the directors have taken all the steps they ought to have taken to make themselves aware of any relevant audit information and to establish that the auditor is aware of the information.

**Auditor**

The auditor, Scott-Moncrieff, is deemed to be reappointed under section 487 (2) of the Companies Act 2006.

The above report has been prepared in accordance with the special provisions relating to small companies within part 15 of the Companies Act 2006.

Signed on behalf of the directors by



**Eric Adair**  
Director

**Date:** 15<sup>th</sup> April 2015

## **SHAWFAIR LAND LIMITED**

### **Independent auditor's report to the members of Shawfair Land Limited**

**For the year ended 31 December 2014**

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We have audited the financial statements of Shawfair Land Limited for the year ended 31 December 2014 which comprise the profit and loss account, balance sheet and related notes. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice).

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 auditors**

As explained more fully in the Directors' responsibilities statement set out on page 2, 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 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 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/auditscopeukprivate](http://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 December 2014 and of its results for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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.

**SHAWFAIR LAND LIMITED**

**Independent auditor's report to the members of Shawfair Land Limited (continued)**

**For the year ended 31 December 2014**

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**Matters on which we are required to report on 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 financial statements and the director's report in accordance with the small companies regime; or
- the directors were not exempt from the requirement to prepare a strategic report.

*Nick Bennett*

**Nick Bennett (Senior Statutory Auditor)**  
**for and on behalf of Scott-Moncrieff, Statutory Auditor**  
**Chartered Accountants**  
Exchange Place 3  
Semple Street  
Edinburgh  
EH3 8BL

**Date:** 16 April 2015

**SHAWFAIR LAND LIMITED****Profit and loss account****For the year ended 31 December 2014**

	<b>Note</b>	<b>2014</b>	<b>Restated</b>
		<b>£</b>	<b>2013</b>
			<b>£</b>
<b>Turnover</b>		<b>2,998,029</b>	<b>1,067</b>
<b>Cost of sales</b>		<b>(3,004,222)</b>	<b>(1,509,697)</b>
<b>Gross loss</b>		<b>(6,193)</b>	<b>(1,508,630)</b>
<b>Administrative expenses</b>		<b>(6,530)</b>	<b>(11,913)</b>
<b>Operating loss</b>	<b>3</b>	<b>(12,723)</b>	<b>(1,520,543)</b>
<b>Loss on ordinary activities before taxation</b>		<b>(12,723)</b>	<b>(1,520,543)</b>
<b>Taxation</b>	<b>4</b>	<b>2,734</b>	<b>761,626</b>
<b>Loss for the financial year</b>		<b>(9,989)</b>	<b>(758,917)</b>

The notes on pages 8 to 10 form part of the financial statements.



**SHAWFAIR LAND LIMITED**

**Balance Sheet**

**As at 31 December 2014**

	<u>Note</u>	<u>2014</u>	<u>Restated</u>
		£	2013
			£
<b>Current assets</b>			
Stock	5	-	3,000,000
Debtors	6	764,032	764,043
Cash at bank and in hand		110,204	115,751
<b>Creditors: amounts falling due within one year</b>	7	<b>(17,446)</b>	<b>(13,015)</b>
<b>Net current assets</b>		<b>856,790</b>	<b>3,866,779</b>
<b>Total assets less current liabilities</b>		<b>856,790</b>	<b>3,866,779</b>
<b>Net assets</b>		<b>856,790</b>	<b>3,866,779</b>
<b>Capital and reserves</b>			
Called up share capital	8	2	2
Share premium account	9	-	6,249,999
Profit and loss account	9	856,788	(2,383,222)
<b>Shareholders' funds</b>		<b>856,790</b>	<b>3,866,779</b>

These financial statements have been prepared in accordance with the special provisions for small companies under Part 15 of the Companies Act 2006 and with the Financial Reporting Standard for Smaller Entities (effective April 2008).

These financial statements were authorised for issue by the directors on 15<sup>th</sup> April 2015 and signed on their behalf by:



**Eric Adair, Director**

**Company registration number: SC353458**

The notes on pages 8 to 10 form part of the financial statements.

# SHAWFAIR LAND LIMITED

## Notes to the financial statements

For the year ended 31 December 2014

### 1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements.

#### Going concern

The directors are of the opinion that that the company can continue to meet its obligations as they fall due for at least 12 months from the date of signing of the financial statements. As a consequence, the financial statements have been prepared on a going concern basis.

#### Basis of preparation

The financial statements have been prepared under the historical cost basis of accounting and have been prepared in accordance with the Financial Reporting Standard for Smaller Entities (effective April 2008), as modified by the revaluation of certain assets.

#### Stock

Stock was held at the lower of cost and net realisable value.

#### Deferred Taxation

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where transactions or events have occurred at that date that will result in an obligation to pay more, or a right to pay less or to receive more tax, with the following exceptions:

Deferred tax assets are recognised only to the extent that the directors consider that it is more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax is measured on an undiscounted basis at the tax rates that are expected to apply in the periods in which timing differences reverse, based on tax rates and laws enacted or substantively enacted at the balance sheet date.

#### Turnover

Turnover is wholly attributable to the company's main activities and arose entirely in the UK.

### 2 Staff numbers and costs

Other than the directors the company had no employees during the year.

### 3 Operating loss

2014	2013
£	£

#### *Operating loss is stated after charging*

Auditor's remuneration:

Audit fee	1,000	1,000
Write-down of development land to net realisable value	-	1,500,000

The directors of the company received no remuneration in the year (2013: £nil)

**SHAWFAIR LAND LIMITED**

Notes to the financial statements (continued)

For the year ended 31 December 2014

4 Taxation	2014 £	Restated 2013 £
<i>UK corporation tax</i>		
Current tax on income for the period	(2,734)	(757,952)
Adjustment for relief recovered in relation to previous periods	-	(3,674)
 Tax on profit on ordinary activities	<b>(2,734)</b>	<b>(761,626)</b>

The current tax charge for the period is higher (2013: *higher*) than the standard rate of corporation tax for small companies in the UK of 20% (2013: 20%). The differences are explained below:

	2014 £	Restated 2013 £
<i>Current tax reconciliation</i>		
Loss on ordinary activities before taxation	(12,723)	(1,520,543)
 Current tax at 21.49% (2013: 23.25%)	<b>(2,734)</b>	<b>(353,474)</b>
<i>Effects of:</i>		
Non Taxable income	-	(406,814)
Expenses not deductible for tax purposes	-	2,336
Adjustment in respect of previous periods	-	(3,674)
 Total current tax charge	<b>(2,734)</b>	<b>(761,626)</b>

There were no specific factors that may affect future tax charges.

**5 Stock**

Stock consisted of development land held for resale and was carried at the lower of cost and net realisable value. All stock was sold in the prior year.

6 Debtors	2014 £	Restated 2013 £
Called up share capital not paid	1	1
Other Debtors	2,617	5,362
Corporation Tax	2,734	-
Amounts owed by group and associated undertakings	<b>758,680</b>	<b>758,680</b>
	<b>764,032</b>	<b>764,043</b>

**SHAWFAIR LAND LIMITED**

**Notes to the financial statements (continued)**

**For the year ended 31 December 2014**

<b>7</b>	<b>Creditors amounts falling due within one year</b>	<b>2014</b>	<b>2013</b>
		£	£
	Trade creditors	17,446	13,015
		<b>17,446</b>	<b>13,015</b>
<b>8</b>	<b>Called up share capital</b>	<b>2014</b>	<b>2013</b>
		£	£
	<b>Allotted, called up and fully paid</b>		
	Ordinary shares of £1 each	1	1
	<b>Allotted, called up and not paid</b>		
	Ordinary shares of £1 each	1	1
		<b>2</b>	<b>2</b>
<b>9</b>	<b>Reserves</b>	<b>Share Premium</b>	<b>Profit and Loss</b>
		£	£
	At 1 January 2014 – restated	6,249,999	(2,383,222)
	Loss for the year	0	(9,989)
	Dividends paid	0	(3,000,000)
	Reduction in share capital (note 13)	(6,249,999)	6,249,999
	At 31 December 2014	<b>0</b>	<b>856,788</b>

On 5 June 2014 it was approved that the share premium of Shawfair Land Limited would be released in line with sections 641 – 644 of the Companies Act 2006.

**10 Parent organisation and ultimate controlling party**

The company is wholly owned by The EDI Group Limited, a company registered in Scotland. The financial statements of the parent undertaking are available at the company's registered office.

The ultimate controlling party is The City of Edinburgh Council.

The company has taken advantage of the exemption under FRS 8 paragraph 3(c) from the requirement to disclose information of transactions with entities that are part of the group on the basis that consolidated group financial statements are publicly available.

**11 Prior year restatement**

The results for the year ended December 2013 are restated to show the effects of corporation tax following the write-down of development land in the prior year. The prior year adjustment recognises a debtor of £758,680 in relation to group relief receivable at 31 December 2013, and increases the profit and loss balance from £95,374 to £856,788.