

EDI FOUNTAINBRIDGE LIMITED

Directors' report and financial statements

For the period to 31 December 2015

Registered Number SC498147

EDI FOUNTAINBRIDGE LIMITED

Directors' Report and Financial Statements

For the period to 31 December 2015

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EDI FOUNTAINBRIDGE LIMITED

Officers and Professional Advisers

For the period to 31 December 2015

The Board of Directors

E W Adair
G K Barrie
G Munro
I Whyte
D Benson
H Rutherford
J Watt

Registered Office

7-9 North St David Street
Edinburgh
EH2 1AW

Auditor

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

EDI FOUNTAINBRIDGE LIMITED

Directors' Report (continued)

For the period to 31 December 2015

The directors present their report and the financial statements of the company for the period to 31 December 2015.

Principal activities

EDI Fountainbridge Limited is a company limited by shares which is domiciled in Scotland and was incorporated on 18th February 2015.

The principal activity of the company during the period was property development.

Directors

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

E W Adair	-	Appointed 18/02/15
G K Barrie	-	Appointed 10/03/16
F W Ross	-	Appointed 18/02/15
	-	Resigned 10/03/16
G Munro	-	Appointed 18/02/15
J Rust	-	Appointed 18/02/15
	-	Resigned 28/05/15
I Whyte	-	Appointed 26/05/15
D Benson	-	Appointed 18/02/15
H Rutherford	-	Appointed 18/02/15
J Watt	-	Appointed 18/02/15

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.

EDI FOUNTAINBRIDGE LIMITED

Directors' Report (continued)

For the period to 31 December 2015

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 of that information.

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 *25th May 2016*

EDI FOUNTAINBRIDGE LIMITED

Independent Auditor's Report to the shareholders of EDI Fountainbridge Ltd

For the period to 31 December 2015

Independent Auditor's Report to the Members of EDI Fountainbridge Limited

We have audited the financial statements of EDI Fountainbridge Limited for the period to 31 December 2015 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/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 2015 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 period for which the financial statements are prepared is consistent with the financial statements.

EDI FOUNTAINBRIDGE LIMITED

Independent Auditor's report to the Directors of EDI Fountainbridge Ltd (continued)

For the period to 31 December 2015

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
Seple Street
Edinburgh
EH3 8BL

Date: *25 May 2016.*

EDI FOUNTAINBRIDGE LIMITED
Statement of Comprehensive Income
For the period to 31 December 2015

	Notes	2015 £
Revenue		-
Cost of sales		-
GROSS PROFIT		<u>-</u>
Administrative expenses		(5,250)
LOSS BEFORE TAX		<u>(5,250)</u>
Corporation tax		1,062
LOSS FOR THE PERIOD		<u><u>(4,188)</u></u>

There are no other items of comprehensive income or expense in the current period therefore no statement of comprehensive income is shown.

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

EDI FOUNTAINBRIDGE LIMITED

Statement of Changes in Equity

For the period to 31 December 2015

	Issued Capital	Retained earnings	Total equity
	£	£	£
Issued in the period	2	-	2
Loss for the period	-	(4,188)	(4,188)
Total recognised income for the period	-	-	-
Balance at 31 December 2015	<u>2</u>	<u>(4,188)</u>	<u>(4,188)</u>

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

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

EDI FOUNTAINBRIDGE LIMITED

Statement of Financial Position

As at 31 December 2015

	Notes	2015 £
ASSETS		
CURRENT ASSETS		
Trade and other receivables	7	1,062
Inventories	8	1,885,002
TOTAL ASSETS		<u>1,886,064</u>
EQUITY		
ISSUED CAPITAL AND RESERVES		
Issued share capital	9	2
Retained profits		(4,188)
TOTAL EQUITY		<u>(4,186)</u>
CURRENT LIABILITIES		
Trade and other payables	10	1,890,250
TOTAL EQUITY AND LIABILITIES		<u>1,886,064</u>

These financial statements have been prepared in accordance with the Special Provisions for Small Companies under part 15 of the Companies Act 2006.

The financial statements were authorised for issue by the Board of Directors on 25th May 2016 and signed on its behalf by



E W Adair, Director

Company registration number: SC498147

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

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements

For the period to 31 December 2015

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 EDI Fountainbridge Limited financial statements which the directors reasonably expect to be applicable at a future date.

IAS 16 'Property, Plant and Equipment', is endorsed by the EU to be effective for accounting periods beginning on or after 1 January 2016.

IAS 1 'Presentation of Financial Statements' is endorsed by the EU to be effective for accounting periods beginning on or after 1 January 2016.

At the time of issuance of the EDI Fountainbridge Limited financial statements, the following amendments and improvements had been published but were not incorporated as they were not in force:

IFRS 7, IFRS 9, IFRS 15, IAS 27 and IAS 39

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 directors are confident that, with the continued support of the parent company (The EDI Group Limited), the company will be able to meet its liabilities as they fall due.

A letter of comfort has been received from The EDI Group Limited confirming that the amount falling due at 31 December 2015 will not be called up.

On this basis the directors consider it appropriate to prepare the accounts on a going concern basis.

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements (continued)

For the period to 31 December 2015

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.

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements (continued)

For the period to 31 December 2015

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 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.

Inventories

Inventories, consisting of work in progress, are stated at the lower of cost and net realisable value. Cost comprises all costs of purchase and other costs incurred in bringing the work in progress to its present location and condition. Net realisable value is the estimated selling price in the ordinary course of business less the estimated costs of completion and the estimated costs necessary to make the sale. Provision is made for any foreseeable losses where appropriate. The directors consider all work-in-progress to be current in nature, however due to the activities of the company it is possible that they will not be realised within 12 months due to external factors such as customer demand and market activity.

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements (continued)

For the period to 31 December 2015

4. Directors

No directors received emoluments from EDI Fountainbridge Limited in the period. There were no other transactions with directors in the period.

5. Auditor's remuneration

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

	2015 £
Fees payable to the company's auditor for audit services	4,400

6. Corporation tax

(a) Analysis of charge in the year

	2015 £
Current tax:	
Current corporation tax credit	(1,062)

(b) Factors affecting tax credit in the year

The tax assessed for the period is different from that calculated using the standard rate of corporation tax in the UK of 20%. The differences are explained below:

	2015 £
Loss on ordinary activities before tax	(5,250)
Loss on ordinary activities multiplied by standard rate of corporation tax of 20%	(1,062)
Effects of:	
Group relief surrendered	1,062
Losses surrendered	(1,062)
Current tax credit in the year	(1,062)

(c) Factors affecting future tax charges

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

EDI FOUNTAINBRIDGE LIMITED
Notes to the Financial Statements (continued)

For the period to 31 December 2015

7. Trade and other receivables

	2015
	£
Amount due by group undertakings	1,062
	1,062

8. Inventories

	2015
	£
Work in progress	1,885,002
	1,885,002

9. Share capital

Allotted and called up:

	2015	
	No	£
2 ordinary shares of £1 each	2	2
	2	2

10. Trade and other payables

	2015
	£
Accruals	225,859
Amounts due to group undertakings	1,664,391
	1,890,250

11. Parent undertakings and related party transactions

The company is a wholly owned subsidiary of The EDI Group Limited, a company registered in Scotland whose financial statements can be obtained from its registered offices.

The ultimate controlling party is The City of Edinburgh Council.

During the year work in progress of £1,664,391 was transferred to the company from The EDI Group Limited. At the balance sheet date the company owed £1,664,391 to The EDI Group Limited.

At 31 December 2015 £1,062 (2014: £nil) was due from Parc Craigmillar Limited, a related company.

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements (continued)

For the period to 31 December 2015

12. Financial instruments and risk management

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

	2015 £
Financial assets	
Loans and receivables	
- Trade and other receivables	1,062
	<u>1,062</u>
	<u><u>1,062</u></u>
	2015 £
Financial liabilities	
Financial liabilities measured at amortised cost	
- Trade and other payables	1,890,250
	<u>1,890,250</u>
	<u><u>1,890,250</u></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.

Market risk

Market risk is the risk that the value of the company's properties and sites under development may fall resulting in further write-offs to the income statement.

EDI FOUNTAINBRIDGE LIMITED

Notes to the Financial Statements (continued)

For the period to 31 December 2015

Credit risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contract obligations that could lead to a financial loss to the company. It arises from exposure to customers and amounts owed by group undertakings.

The maximum exposure to credit risk to recognised financial assets is the carrying amount, net of any provisions for impairment of those assets, as disclosed in the balance sheet and notes to the financial statements.

Credit risk is reviewed regularly by the Board of Directors and monitored by actively assessing the rating quality and liquidity of counterparties as follows:

- Only banks and institutions with an acceptable credit rating are utilised;
- All potential customers are rated for credit worthiness taking into account their size, market position and financial standing;
- Customers that do not meet the company's credit policies may only purchase in cash or using recognised credit cards.

Liquidity risk

Liquidity risk arises from the possibility that the company might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The company manages that risk as follows:

- Preparing forward looking cash flow analysis; and
- Ensuring that adequate unutilised borrowing facilities are maintained.

The table below analyses the company's financial liabilities into relevant maturity grouping's based on the remaining period at the statement of financial position date to the expected maturity date. The amounts disclosed in the table are the contractual undiscounted cash flows.

	Less than a year
	£
As at 31 December 2015	
Other payables	1,664,391
	<u><u> </u></u>

