

**EDI MARKET STREET LIMITED**

**Directors' report and financial statements**

**For the year ended 31 December 2015**

**Registered Number SC261283**

**EDI MARKET STREET LIMITED**

**Directors' Report and Financial Statements**

**For the year ended 31 December 2015**

---

<b>CONTENTS</b>	<b>PAGES</b>
Officers and professional advisers	2
Directors' report	3 to 4
Independent auditor's report to the shareholders	5 to 6
Statement of comprehensive income	7
Statement of changes in equity	8
Statement of financial position	9
Notes to the financial statements	10 to 16

**EDI MARKET STREET LIMITED**

**Officers and Professional Advisers**

**For the year ended 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  
Semple Street  
Edinburgh  
EH3 8BL

## EDI MARKET STREET LIMITED

### Directors' Report (continued)

For the year ended 31 December 2015

---

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

#### Principal activities

EDI Market Street Limited is a company limited by shares which is incorporated and domiciled in Scotland.

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

#### Directors

The directors who served the company during the year 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.

In so far as the directors are aware:

- there is no relevant audit information of which the company's auditor is unaware; and

**EDI MARKET STREET LIMITED**

**Directors' Report (continued)**

**For the year ended 31 December 2015**

---

- 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 MARKET STREET LIMITED

### Independent Auditor's Report to the shareholders of EDI Market Street Ltd

For the year ended 31 December 2015

---

#### Independent Auditor's Report to the Members of EDI Market Street Limited

We have audited the financial statements of EDI Market Street Limited for the year ended 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](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 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 year for which the financial statements are prepared is consistent with the financial statements.

**EDI MARKET STREET LIMITED**

**Independent Auditor's report to the Directors of EDI Market Street Ltd (continued)**

**YEAR ENDED 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*

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

**Date:** *25 May 2016.*

EDI MARKET STREET LIMITED

Statement of Comprehensive Income

For the year ended 31 December 2015

---

	Notes	2015 £	2014 £
Revenue		-	-
Cost of sales		-	-
<b>GROSS PROFIT</b>		<u>-</u>	<u>-</u>
Administrative expenses		(5,250)	-
<b>LOSS BEFORE TAX</b>		<u>(5,250)</u>	<u>-</u>
Corporation tax	6	1,062	-
<b>LOSS FOR THE YEAR</b>		<u>(4,188)</u>	<u>-</u>

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

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



**EDI MARKET STREET LIMITED****Statement of Changes in Equity****For the year ended 31 December 2015**

	<b>Issued Capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
Balance at 1 January 2015	1	-	1
Loss for the year	-	(4,188)	(4,188)
Total recognised income for the year	-	-	-
Balance at 31 December 2015	<u>1</u>	<u>(4,188)</u>	<u>(4,187)</u>
	<b>Issued Capital £</b>	<b>Retained earnings £</b>	<b>Total equity £</b>
Balance at 1 January 2014	1	-	1
Loss for the year	-	-	-
Total recognised income for the year	-	-	-
Balance at 31 December 2014	<u>1</u>	<u>-</u>	<u>1</u>

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

**EDI MARKET STREET LIMITED**

**Statement of Financial Position**

**As at 31 December 2015**

	Notes	2015 £	2014 £
<b>ASSETS</b>			
<b>CURRENT ASSETS</b>			
Inventories	7	1,059,748	-
Trade and other receivables	8	1,062	-
Cash and cash equivalents		14,727	-
<b>TOTAL ASSETS</b>		<u>1,075,537</u>	<u>1</u>
<b>EQUITY</b>			
<b>ISSUED CAPITAL AND RESERVES</b>			
Issued share capital	9	1	1
Retained profits		(4,188)	-
<b>TOTAL EQUITY</b>		<u>(4,187)</u>	<u>1</u>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	10	1,079,724	-
<b>TOTAL EQUITY AND LIABILITIES</b>		<u>1,075,537</u>	<u>1</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 25<sup>th</sup> May 2016 and signed on its behalf by

E W Adair, Director

Company registration number: SC261283

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

**EDI MARKET STREET LIMITED****Statement of Cash Flows**

As at 31 December 2015

	2015	2014
	£	£
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	(5,250)	-
Adjustments for:		
Increase in trade and other receivables	(1,062)	-
Increase in inventories	(1,059,747)	-
Increase in trade and other payables	1,079,724	-
<b>Cash flows from operations</b>	<u>13,665</u>	<u>-</u>
<b>Income taxes received</b>	1,062	-
<b>Net cash flows from operating activities</b>	14,727	-
<b>Net increase in cash and cash equivalents</b>	14,727	-
<b>Cash and cash equivalents as at 1 January 2015</b>	-	-
<b>Cash and cash equivalents as at 31 December 2015</b>	<u><u>14,727</u></u>	<u><u>-</u></u>

# EDI MARKET STREET LIMITED

## Notes to the Financial Statements

For the Year Ended 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.

These are the first financial statements prepared under IFRS as adopted by the EU. The directors consider there were no material changes to the financial statements under UK GAAP prepared previously by the company.

#### 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 Market Street Limited financial statements which the directors reasonably expect to be applicable at a future date.

*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 Market Street 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, 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 amounts due at 31 December 2015 will not be called up.

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

## EDI MARKET STREET LIMITED

### Notes to the Financial Statements (continued)

For the Year Ended 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.

##### 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 MARKET STREET LIMITED

### Notes to the Financial Statements (continued)

For the Year Ended 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 MARKET STREET LIMITED**

**Notes to the Financial Statements (continued)**

**For the Year Ended 31 December 2015**

**4. Directors**

No directors received emoluments from EDI Market Street Limited in the year or the previous year. There were no other transactions with directors in the year.

**5. Auditor's remuneration**

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

	<b>2015</b>	<b>2014</b>
	£	£
Fees payable to the company's auditor for audit services	4,400	-
	<u>4,400</u>	<u>-</u>

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

	<b>2015</b>	<b>2014</b>
	£	£
Current tax:		
Current corporation tax credit	(1,062)	-
	<u>(1,062)</u>	<u>-</u>

**(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 20.25% (2014: nil). The differences are explained below:

	<b>2015</b>	<b>2014</b>
	£	£
Loss on ordinary activities before tax	(5,250)	-
	<u>(5,250)</u>	<u>-</u>
Loss on ordinary activities multiplied by standard rate of corporation tax of 20.25% (2014 : nil)	(1,062)	-
Effects of:		
Group relief surrendered	1,062	-
Losses surrendered	(1,062)	-
Current tax credit in the year	<u>(1,062)</u>	<u>-</u>

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

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

**EDI MARKET STREET LIMITED**

**Notes to the Financial Statements (continued)**

**For the Year Ended 31 December 2015**

**7. Inventories**

	2015	2014
	£	£
Work in progress	1,059,748	-
	1,059,748	-
	1,059,748	-

**8. Trade and other receivables**

	2015	2014
	£	£
Amounts owed by group undertakings	1,062	-
	1,062	-
	1,062	-

**9. Share capital**

**Allotted and called up:**

	2015		2014	
	No	£	No	£
1 ordinary shares of £1 each	1	1	1	1
	1	1	1	1
	1	1	1	1

**10. Trade and other payables**

	2015	2014
	£	£
Accruals	5,250	-
Amounts due to group undertakings	1,074,474	-
	1,079,724	-
	1,079,724	-

**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.

At the balance sheet date the company owed £1,074,474 (2014: £nil) to The EDI Group Limited.

During the year work in progress of £1,059,748 was transferred to the company from the EDI Group Limited

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



EDI MARKET STREET LIMITED

Notes to the Financial Statements (continued)

For the Year Ended 31 December 2015

12. Financial instruments and risk management

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

	2015 £	2014 £
<b>Financial assets</b>		
Loans and receivables		
- Trade and other receivables	1,062	1
	<u>1,062</u>	<u>1</u>
	<u><u>1,062</u></u>	<u><u>1</u></u>
	2015 £	2014 £
<b>Financial liabilities</b>		
Financial liabilities measured at amortised cost		
- Trade and other payables	1,079,724	-
	<u>1,079,724</u>	<u>-</u>
	<u><u>1,079,724</u></u>	<u><u>-</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 MARKET STREET LIMITED

### Notes to the Financial Statements (continued)

For the Year Ended 31 December 2015

---

#### Credit Risk

Exposure to credit risk relating to financial assets arises from the potential non-performance by counterparties of contractual 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 groupings 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	1,074,474
	=====
	Less than a year
	£
As at 31 December 2014	
Other payables	-
	=====

---