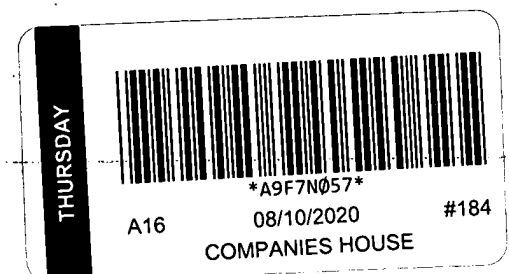


**Company Registration No. SC437257**

**EDINBURGH HAYMARKET DEVELOPMENTS  
LIMITED**

**Annual Report and Financial Statements**

**For the Year Ended 31 December 2019**



# **Edinburgh Haymarket Developments Limited**

## **Annual Report and Financial Statements to Year Ended 31 December 2019**

### **Contents**

Directors' report	1
Directors' responsibilities statement	2
Independent auditor's report	3
Statement of comprehensive income	6
Statement of financial position	7
Statement of changes in equity	8
Notes to the financial statements	9

# Edinburgh Haymarket Developments Limited

## Directors' report

The directors present their annual report and the audited financial statements for the year ended 31 December 2019.

This Directors' report has been prepared in accordance with the provisions applicable to companies entitled to the small companies' exemption.

### Activities and Going Concern

On 1 January 2019 the Company agreed with Interserve Development No.2 Limited, provider of subordinated debt, that it will not pursue repayment of its outstanding subordinated debt of £10.5m. The write off of this debt has been treated as a capital contribution, and is included in other reserves, as it represents capital injected into the company by a shareholder. Interserve Development No.2 Limited has also agreed to provide funds to settle any remaining agreed creditors.

Following the sale of the Company's development asset in June 2018, the Company ceased to trade and therefore the financial statements have been prepared on a basis other than going concern. Following assessment of the financial position of the Company there is no material difference in the values of the assets and liabilities shown in the financial statements as a result of preparing under a basis other than a going concern.

The company is not affected by the covid 19 global pandemic as it has ceased to trade.

### Results

The results of the company are as set out in the financial statements on page 6.

### Directors

The directors who served throughout the period and who remain directors as at the date of this report are set out below:

John Nesbitt

Christopher Edwards was appointed as a director on 30 June 2019

Stephen Jones ceased to be a director on 30 June 2019

Each of the persons who is a director at the date of approval of this report confirms that:

- so far as the director is aware, there is no relevant audit information of which the company's auditor is unaware; and
- the director has taken all the steps that he ought to have taken as a director in order to make himself aware of any relevant audit information and to establish that the company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of s418 of the Companies Act 2006.

Deloitte LLP have expressed their willingness to continue in office as auditor and appropriate arrangements are being made for them to be deemed reappointed as auditor in the absence of an Annual General Meeting.

Approved by the Board of Directors  
and signed on behalf of the Board.



Christopher Edwards  
Director  
1 October 2020

## **Edinburgh Haymarket Developments Limited**

### **Directors' Responsibilities Statement**

The directors are responsible for preparing the Annual 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 Accounting Standards and applicable law), including FRS 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland". 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 accounting 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 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 to 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.

**Edinburgh Haymarket Developments Limited**  
**Independent auditor's report to the members of**  
**Edinburgh Haymarket Developments Limited**

**Report on the audit of the financial statements**

**Opinion**

In our opinion the financial statements of Edinburgh Haymarket Developments Limited (the 'company'):

- give a true and fair view of the state of the company's affairs as at 31 December 2019 and of the result for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the statement of comprehensive income;
- the statement of financial position; and
- the related notes 1 to 7.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

**Basis for opinion**

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of matter – Financial statements prepared other than a going concern basis**

We draw attention to Note 1 – Accounting Policies in the financial statements, which indicates that the financial statements have been prepared on a basis other than a going concern. Our opinion is not modified in respect of this matter.

**Other information**

The directors are responsible for the other information. The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in respect of these matters.

# **Edinburgh Haymarket Developments Limited**

## **Independent auditor's report to the members of**

### **Edinburgh Haymarket Developments Limited (Continued)**

#### **Responsibilities of directors**

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the company or to cease operations, or have no realistic alternative but to do so.

#### **Auditor's responsibilities for the audit of the financial statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.

#### **Report on other legal and regulatory requirements**

##### **Opinions on other matters prescribed by the Companies Act 2006**

In our opinion, based on the work undertaken in the course of the audit:

- the information given in the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the directors' report has been prepared in accordance with applicable legal requirements.

In the light of the knowledge and understanding of the company and its environment obtained in the course of the audit, we have not identified any material misstatements in the directors' report.

##### **Matters on which we are required to report by exception**

Under the Companies Act 2006 we are required to report in respect of the following matters 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 and from the requirement to prepare a strategic report.

We have nothing to report in respect of these matters.

**Edinburgh Haymarket Developments Limited**  
**Independent auditor's report to the members of**  
**Edinburgh Haymarket Developments Limited (Continued)**

**Use of our report**

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.



Jacqueline Holden FCA (Senior Statutory Auditor)  
for and on behalf of Deloitte LLP  
Statutory Auditor  
London, United Kingdom  
02 October 2020

## Edinburgh Haymarket Developments Limited

### Statement of comprehensive income for the year ended 31 December 2019

		2019	2018
	Notes	£'000	£'000
Loss on sale of asset		-	(1,118)
		<hr/>	<hr/>
<b>Operating loss</b>		-	(1,118)
Interest payable and similar expenses		-	(491)
		<hr/>	<hr/>
<b>Loss before taxation</b>		-	(1,609)
Tax on loss	4	-	-
		<hr/>	<hr/>
<b>Loss after taxation</b>		-	(1,609)
		<hr/>	<hr/>

All results are derived from discontinued operations



# Edinburgh Haymarket Developments Limited

## Statement of financial position as at 31 December 2019

	Notes	2019 £'000	2018 £'000
<b>Current Assets</b>			
Cash at bank		2	2
		<hr/>	<hr/>
<b>Creditors: amounts falling due within one year</b>	5	(528)	(11,149)
		<hr/>	<hr/>
<b>Net liabilities</b>		(526)	(11,147)
		<hr/>	<hr/>
<b>Capital and reserves</b>			
Called up share capital	6	1	1
Other reserves		10,621	-
Profit and loss account		(11,148)	(11,148)
		<hr/>	<hr/>
<b>Shareholders' deficit</b>		(526)	(11,147)
		<hr/>	<hr/>

These financial statements have been prepared in accordance with the small companies regime.

The financial statements of Edinburgh Haymarket Developments Limited registered number SC437257 were approved by the Board of Directors and authorised for issue on 01 October 2020

Signed on behalf of the Board of Directors.



Christopher Edwards  
Director  
1 October 2020

# **Edinburgh Haymarket Developments Limited**

## **Statement of changes in equity for the year ended 31 December 2019**

	Note	Share capital £'000	Other Reserve £'000	Profit and loss account £'000	Total £'000
<b>AT 1 JANUARY 2018</b>		1	-	(9,539)	(9,538)
Loss for the year		-	-	(1,609)	(1,609)
<b>AT 31 DECEMBER 2018</b>		1	-	(11,148)	(11,147)
Capital contributions in the year	6	-	10,621	-	10,537
<b>AT 31 DECEMBER 2019</b>		1	10,621	(11,148)	(526)

# **Edinburgh Haymarket Developments Limited**

## **Notes to the financial statements For the year ended 31 December 2019**

### **1. Accounting policies**

The financial statements have been prepared in accordance with applicable United Kingdom law and accounting standards. The particular accounting policies adopted by the directors are described below, and have been consistently applied in the current year and prior year except as noted below.

The financial statements have been prepared under Financial Reporting Standard 102 "The Financial reporting standard applicable in the UK and Republic of Ireland" ("FRS 102") issued by the Financial Reporting Standards in the year ended 31 December 2019.

#### **Going Concern**

Following the sale of the Company's development asset in June 2018, the Company has ceased to trade and therefore the financial statements have been prepared on a basis other than going concern. The company has no material assets, but Interserve Developments No 2 Limited waived its claim on its subordinated debt and has agreed to provide funds to settle any remaining valid creditors.

#### **Accounting Convention**

These financial statements have been prepared in accordance with the historic cost convention.

The company meets the definition of a 'small company' under the Companies Act 2006, as amended in 2017 on implementation of the new European Accounting Directive and is consequently eligible to apply both Section 1A of FRS 102 and the reductions in statutory disclosure requirements applicable to a small company. The company has therefore elected not to provide a cash flow statement.

#### **Financial Instruments**

Basic financial liabilities, including trade and other payables, loans from connected parties and preference shares that are classified as debt, are initially recognised at transaction price unless the arrangement constitutes a financing transaction, where the debt instrument is measured at the present value of the future receipts discounted at a market rate interest.

Debt instruments are subsequently carried at amortised cost, using the effective interest rate method.

#### **Borrowing costs**

It is company policy to capitalise borrowing costs during the construction phase.

Interest-bearing bank loans and overdrafts are recorded at the proceeds received, net of direct issue costs. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for on an accruals basis in the statement of comprehensive income using the effective interest method and are added to the carrying amount of the instrument to the extent that they are not settled in the period in which they arise. During the period of construction, interest charges are capitalised and added to the carrying value of the asset.

#### **Share capital**

Share capital recognised at amortised cost represents the amount of equity in the form of shares invested by the shareholders.

#### **Profit and loss account**

The profit and loss reserve represents cumulative profit and losses.

# **Edinburgh Haymarket Developments Limited**

## **Notes to the financial statements (continued) For the year ended 31 December 2019**

### **1. Accounting policies (continued)**

#### **Taxation**

Current tax, including UK corporation tax, is provided at amounts expected to be paid using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is provided in full on timing differences which result in an obligation at the balance sheet date to pay more tax, or a right to pay less tax, at a future date, at rates expected to apply when they crystallise based on current tax rates and law. Timing differences arise from the inclusion of items or income and expenditure in taxation computations in periods different from those in which they are included in the financial statements. Deferred tax assets are recognised to the extent that it is regarded as more likely than not that they will be recovered. Deferred tax assets and liabilities are not discounted.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

#### **Assets classified as held for sale**

Investments in development properties classified as held for sale are measured at the lower of carrying amount and fair value less costs to sell.

Investments in development properties are classified as held for sale if their carrying amount will be recovered through a sale transaction rather than continuing for use. This condition is regarded as met only when the sale is highly probable, and the asset is available for immediate sale in its present condition. Management must be committed to the sale which should be expected to qualify for recognition as a completed sale within one year from the date of classification.

#### **Critical accounting policies and key judgements**

The preparation of financial statements in conformity with FRS 102 requires management to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based upon historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making judgements about carrying values of assets and liabilities that are not readily available from other sources. Actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of revision and future periods if the revision affects both current and future periods.

Information on significant areas of critical judgement in applying accounting policies are described within the significant accounting policies above.

The most significant area of estimation uncertainty is the remaining cost of any expenses and claims to conclude the Haymarket Development. The Directors have made a prudent judgement of the likely cost based on the estimated value of resolving contracts signed by the company prior to the sale of the company's only material asset on 7 June 2018.

#### **General policy**

The company is a private company, limited by shares, incorporated in the UK and registered in Scotland.

# Edinburgh Haymarket Developments Limited

## Notes to the financial statements (continued) For the year ended 31 December 2019

### 2. Statement of comprehensive income

	2019 £'000	2018 £'000
This is stated after charging:		
Auditor's remuneration		
- Audit services for the audit of the company's financial statements	10	11
Tax compliance services	2	4
The audit and tax fees were borne by Interserve Developments No.2 Limited as a Capital Contribution		

The company had no employees during the current year other than the directors. The directors of the company did not receive any remuneration for their services to Edinburgh Haymarket Developments Limited.

3. Loss on Sale of Asset	2019 £'000	2018 £'000
Profit on disposal of asset	-	1,033
Sale expenses	-	(2,151)
Net loss on sale	-	(1,118)

On 7 June 2018, the Company sold its development asset for £49.1m.

4. Taxation	2019 £'000	2018 £'000
<b>Current taxation charge comprises:</b>		
Current tax – charge for the year	-	-
<b>Deferred taxation</b>	-	-
Total tax in statement of comprehensive income	-	-
<b>Factors affecting the current tax charge in the year:</b>		
The tax assessed for the year is the same as (2018: higher than) than the standard rate of corporation tax in the UK. The difference is explained below:		
Loss before tax	-	(1,609)
Tax credit on loss before tax at a blended rate of 19% (2018: 19%)	-	306
Loss on disposal of asset not tax deductible	-	(213)
Interest payable not tax deductible	-	(93)
<b>Total tax charge for the year</b>	-	-

## Edinburgh Haymarket Developments Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

<b>5. Creditors: amounts falling due within one year</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
Trade creditors	62	62
Accruals	466	550
12% subordinated loan stock	-	10,537
	<hr/>	<hr/>
	528	11,149
	<hr/>	<hr/>

Interest was charged on the subordinated loan stock balance at the rate of 12%. A part repayment of the loan stock and interest of £47,405,000 took place on 8 June 2018. On 1 January 2019 the holder (Interserve Developments No.2 Limited) agreed to waive in full its outstanding subordinated debt, and to provide funds to settle any remaining agreed creditors.

<b>6. Other reserves</b>	<b>2019</b>	<b>2018</b>
	<b>£'000</b>	<b>£'000</b>
At 1 January	-	-
Capital contributions in the year	10,621	-
	<hr/>	<hr/>
<b>At 31 December</b>	10,621	-
	<hr/>	<hr/>

On 1 January 2019 Interserve Developments No.2 Limited waived a shareholder loan of £10,537,000. During the year Interserve Developments No.2 Limited paid creditors on behalf of the company totalling £84,000. These transactions are recorded as capital contributions.

## Edinburgh Haymarket Developments Limited

### Notes to the financial statements (continued) For the year ended 31 December 2019

#### 7. Ultimate parent undertaking and related party transactions

The company is incorporated and domiciled in Great Britain, and its registered office is Interserve Developments Interserve House, Almondview Business Park, Almondview, Livingston, Scotland, EH54 6SF. In the directors' opinion there is no ultimate controlling party. The ultimate shareholders are Interserve Group Limited, formerly Interserve plc, and Tiger Developments Limited.

	Amounts waived and converted to other reserves during the year ended 31 Dec 2019 £'000	Amounts Receivable / (payable) payable at 31 Dec 2019 £'000	Amounts received / (paid) during the year ended 31 Dec 2018 £'000	Amounts payable at 31 Dec 2018 £'000
Interserve Developments No.2 Limited				
Subordinated debt payable	(10,537)	-	(42,854)	10,537
Funds introduced as other reserves	(84)			
Interserve Construction Limited invoices	-	-	(945)	-
Tiger Haymarket No 1 Limited				
Pre-emption waiver fee	-	-	500	-
	<u>(10,621)</u>	<u>-</u>	<u>(43,299)</u>	<u>10,537</u>

Tiger Haymarket No. 1 Limited is a wholly-owned subsidiary of Tiger Developments Limited. Interserve Developments No. 2 Limited, Interserve Investments Limited and Interserve Construction Limited are wholly-owned subsidiaries of Interserve Group Limited. These are the only financial statements that are prepared of which the company is a member. No other group financial statements are prepared.

On 15 March 2019 Interserve plc, the ultimate parent company of Interserve Construction, Interserve Investments Limited and Interserve Developments No2 Limited, went into administration and these companies were sold to Interserve Group Limited, a newly incorporated private company controlled by its lenders.