C.E.C. HOLDINGS LIMITED

Consolidated Financial Statements

For the year ended 31 December 2025

Registered number SC135444

C.E.C. HOLDINGS LIMITED

Consolidated financial statements

For the year ended 31 December 2025

Contents	**Page**
Strategic Report	1 – 5
Directors' Report	6 – 7
Independent Auditor's Report to the Members of C.E.C. Holdings Limited	8 – 11
Consolidated and Parent Company Statement of Profit or Loss	12
Consolidated and Parent Company Statement of Financial Position	13
Consolidated and Parent Company Statement of Changes in Equity	14
Consolidated and Parent Company Statement of Cash Flows	15
Notes to the financial statements	16 – 43

C.E.C. HOLDINGS LIMITED

Strategic Report

For the year ended 31 December 2025

The Directors present their strategic report for the year ended 31 December 2025.

C.E.C. Holdings Limited

Principal activities, business review, results for the year and future developments

C.E.C. Holdings Limited is a company limited by shares which is incorporated and domiciled in Scotland. The principal activities of the Group, which is ultimately wholly owned by the City of Edinburgh Council, are property development, urban regeneration and the operation of an international conference centre.

The results of the year are set out in the Consolidated and Parent Company Statement of Profit and Loss on page 11. The Group profit on ordinary activities after taxation for the year is £9,825k (2024: £1,147k).

The company acts as a holding company for the Council's arms-length property companies. It does not have any employees and its activities have negligible environmental impact.

The EDI Group Limited

Principal activities, business review and future developments

The EDI Group Limited (EDI) is a wholly owned subsidiary of C.E.C Holdings Limited, ultimately owned by the City of Edinburgh Council and run as an arm's length operation with the role of investing in the development of land and buildings which are surplus to the Council's operational requirements and leading on the property aspects of regeneration in specific areas of the City.

In February 2017 the Council conducted a review of its approach to the use of surplus land and its interactions with the property market. The Council concluded that the subsidiary will have no future pipeline of projects and therefore took the decision that the group should begin a process of managed closure. The Council as shareholder has instructed the Directors to begin this process.

The company has now ceased development activities with the majority of the land and buildings transferred to the Council and the remaining land at Brunstane subject to sale negotiations. There has been, and will continue to be, a minimal level of development and property related activity for the remainder of the company's lifespan. Non-property assets will be realised in accordance with their contractual terms and external liabilities and obligations will be settled in full. Financial projections for the closure process show that the company will have sufficient funds to meet all external liabilities and obligations and to repay share capital in full. The intention is that the company will become dormant with a timespan covering 2 to 6 years.

Current development activity

The sale of the land at Brunstane West is nearing completion with the receipt of a deposit in March 2024 and a first stage payment expected in mid-2025. The remaining land at Brunstance East has been marketed, bids assessed and a preferred purchaser approved by the EDI Board in October 203, with the deal expected to be complete by 2026.

Financial performance

The financial performance of the company in 2025 was a net profit of £5.2m compared to a net loss of £316k in 2024. Retained earnings increased from negative £3.3m to positive £1.9m. The major factor influencing the year's results is the sale of Brunstane West.

Financial performance (continued)

The company had a cash balance of £5.7m (2024: £718k) at the year-end. The sale expected in 2027 will be profitable and will enable a dividend to be declared subject to Board approval, in line with the transition strategy.

Risks and environment

Although the scope of our activity has reduced significantly, the risk factors influencing the remaining assets are a combination of the general economy of Edinburgh and the national housing market. The Shareholder and the Directors recognise that the process of managing the completion of our current activities and transition of the remaining projects to Council control and management has brought specific financial, legal, administration and people risks, and these have been managed.

PARC Craigmillar Limited

Principal activities, business review and future developments

Parc Craigmillar Ltd is a company limited by shares which is incorporated and domiciled in Scotland. It is a wholly owned subsidiary of The EDI Group Ltd (EDI) whose ultimate parent is The City of Edinburgh Council. The company functions as an arm's length operation with the aim of investing in the development of land and buildings which are surplus to the Council's operational requirements and leading on the property aspects of regeneration in the Craigmillar district of Edinburgh.

In early 2017 the Council conducted a review of its approach to the use of surplus land and its interactions with the property market. The Council concluded that the group will have no future pipeline of projects and therefore took the decision that the group and this company should begin a process of managed closure. The Council as shareholder instructed the Directors to begin this process and this is underway.

Inventories (land held for development) which the Council will utilise were transferred to the Council in May 2018. The company sold its portfolio of residential shared equity to the Council during 2018. The majority of the remaining land was sold for residential development to the Council. Financial assets will be realised according to their contractual terms and the company intends to meet its contractual obligations in full. The remaining assets, which consist of The White House property, area utility infrastructure and the South Park will be sold or adopted, as appropriate as soon as possible. It is envisaged that the company will be financially active for a period of around one to two years.

Financial modelling of the envisaged closure strategy has indicated that the company may not have sufficient assets to repay its share capital in full to the parent company. Therefore, the parent company has included an impairment in the reported value of its investment in Parc Craigmillar Ltd in its accounts.

Edinburgh International Conference Centre Limited ("EICC")

Principal activities

The principal activities that the Company undertook during the year were in respect of the operation of an international conference centre.

Results and review of the business

The year to December 2025 saw the Company report an operating profit in excess of £2.3m, before adjustments for depreciation, effective interest on loan stock and the release of capital grants. The Company delivered notable revenues and economic impact in the year which were ahead of expectations.

Results and review of the business (continued)

The Conference Centre held 175 events in 2025, which was up on the previous year however the events held in the year were on average shorter in duration and attracted slightly less delegates which impacted additional revenues and the economic impact generated. These events held varied enormously in their size, duration, diversity and profitability.

The Company continued to hold a diverse range of events at the EICC and in the course of the year, as well as holding conferences, meetings and exhibitions, the Conference Centre hosted, amongst other things: live podcast shows; awards dinners; graduations; a number of dance competitions; children's entertainment performances; comedy shows; tech exhibitions; food and drink fairs; and examinations.

The profit from continuing operations before tax for the year amounted to £3,108,336 (2024 – profit of £1,431,760). The Company has, after taxation adjustments, a total comprehensive profit for the year of £3,424,999 (2024 – profit of £1,431,760). The Directors do not recommend the payment of a dividend for the year ended 31 December 2025.

The year to December 2025 saw the Company produce operating profits significantly ahead of budget, before adjustments for depreciation, effective interest on loan stock and the release of capital grants. This was achieved against a continuing backdrop of: a challenging economic outlook; high inflation levels which continued to impact our cost base; increased levels of competition within the UK and from across the world; aggressive price competition; and a number of local problems including the difficulties encountered trying to secure sufficient hotel room allocations for clients at affordable rates.

The Company's turnover reduced in the year by 2.4% overall, driven by a reduction in international association events and the associated revenue derived from these events. This reduction was partially offset by an increase in corporate, banqueting and other business in addition to an increase other revenue which was one off in nature. The other revenue primarily related to the settlement of a business interruption insurance claim. The cumulative effect of the company's activities had a significant impact on the Company's revenues for the year which amounted to £10.864m. This was a reduction on the previous year's figure of £11.134m.

Despite a reduction in overall revenue, the gross profit recorded was significantly ahead of prior year. These revenues generated a gross profit of £2.266m in 2025 compared to a gross profit of £1.759m for the previous year which is equivalent to an increase of 29%. The increase in gross profit is partially due to a substantial retrospective rebate received in 2025 following a successful Non-Domestic rates appeal in addition to the settlement of a business interruption insurance claim.

Expenditure in respect of cost of sales and administration expenses totalled £9.208m in 2025, which was a reduction of £0.709m on the previous year's expenditure which had amounted to £9.917m. This reduction was driven by the one-off substantial Non-Domestic rates rebate received in the year.

Finance costs were positively impacted in the year by the reversal of previously recognised interest on loan stock relating to £1m of loan stock which was written off as part of a commercial agreement in the year with our shareholder. The write off of the loan has been recorded as other gains within other comprehensive income and significantly enhances the total comprehensive income for the year.

During the year the delegates who attended events at the Conference Centre generated 173,000 delegate days which was a decrease of 4% on a like for like basis in comparison to prior year. The delegates who attended events at the EICC during the year generated an economic impact of £76m for the year compared to £78m in 2024. The economic impact that is produced as a result of the EICC's activities helps to create and sustain significant levels of employment within Edinburgh and further afield.

The Company continues to sharpen its emphasis on customer service and standards, and it is accredited to several quality standards. These standards cover systems management, human resources and environmental practices and the EICC continues to achieve very positive results from assessments in respect of its re-accreditation to these standards. Furthermore, progress continues to be made in reducing the carbon emissions generated with many new initiatives and practices moving the Company closer towards its net zero target.

Results and review of the business (continued)

Throughout the year the Company was recognised for their achievements in the form of some notable award wins which included, Best Business Event at the VisitScotland Thistle Awards 2025, Gold Award for Green Tourism and Green Meetings and Sustainable Service Award at the Sustainability Environmental Achievement and Leadership Business Awards 2025.

Future business on the books remained strong coming into 2026, both for the current year and for each of the succeeding years until 2030. The Company outlook remains extremely positive despite continued challenges with hotel accommodation within the city. Notwithstanding this, the Conference Centre has an extensive list of bookings for future years and the Company's business outlook for the medium and long term remains very positive. The level of future bookings at the end of 2025 compares favourably with previous years.

In 2025 the total comprehensive income for the year was the highest in the Company's history and we firmly believe that the Company's future prospects look extremely healthy.

Key performance indicators

The Company's performance with regard to its key financial and other performance indicators during the year was as follows:-

	2025 £'000	2024 £'000	% Change
Turnover	10,864	11,134	-2%
Cost of sales and administration expenses	9,208	9,917	-7%
Customer delight	93%	93%	
Economic impact	76,763	78,014	-2%

Risks and uncertainties

In common with many other businesses the Company is exposed to a range of risks. The principal risks and uncertainties facing the Company are associated with market forces and the behaviour of competition as well as the risks associated with catastrophic events.

Directors believe that the business outlook for the medium and long term remains very positive.

Future developments

The Directors intend to maintain the objectives and aims of the Company, which have resulted in many notable achievements and successes to date.

Edinburgh International Conference Centre Hotels Limited ("EICC Hotels")

Principal activities, business review and future developments

The principal activities that the Company undertook during the year were in respect of the hotel development in Haymarket. The project faced significant challenges and as a result the parties reached a commercial agreement which resulted in cessation of all legal agreements and freed the company of any future liability.

Edinburgh International Conference Centre Hotels Limited is a Company limited by shares which is incorporated in Scotland. It is a wholly owned subsidiary of Edinburgh International Conference Centre Limited whose ultimate parent is The City of Edinburgh Council.

Results and dividends

The total operating profit for the period amounted to £412,593 (2024: 129,618). The directors have therefore not recommended a dividend.

This report was approved by the board and signed on its behalf by:

Date: 4th September 2026

Burness Paull LLP
Secretaries

Company registered office:
Waverley Court
4 East Market Street
Edinburgh
EH8 8BG

C.E.C. HOLDINGS LIMITED

Directors' Report

For the year ended 31 December 2025

The Directors present their annual report and audited financial statements for the year ended 31 December 2025.

Directors

The Directors who held office during the year, and subsequently, were as follows:

Ms L M Cameron
Mr A C Beal
Mr P Doggart

Board operation

All decisions are taken by the Board with the exception of delegated authority to the Executive Director of Resources:

(i) To procure advisory services at a cost not exceeding £20,000 (plus VAT).
(ii) To make suitable cash flow arrangements with the Council as and when necessary.

Political and charitable contributions

The group and company made no political or charitable contributions during the year (2024: £nil).

Going concern

The Directors have considered the appropriateness of the continued use of the going concern basis.

The Company's ultimate parent shareholder, The City of Edinburgh Council, has committed to providing continued funding, sufficient to meet all liabilities as and when they fall due.

After making suitable enquiries, the Directors have a reasonable expectation that the Group has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

Directors' responsibilities statement

The Directors are responsible for preparing the Strategic report, 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 prepared the group and parent company financial statements in accordance with UK adopted International Accounting Standards and the requirements of the Companies Act 2006.

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 group and the company and of the profit or loss of the group 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;
- state whether applicable IFRSs have been followed, subject to any material departures disclosed and explained in the financial statements; 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 group and company's transactions and disclose with reasonable accuracy at any time the financial position of the company and the group 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 the group and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Disclosure of information to the auditor

We, the Directors of the company who held office at the date of approval of these financial statements as set out above each confirm, so far as we are aware, that:

- there is no relevant audit information of which the company's auditor is unaware; and
- we have taken all the steps that we ought to have taken as Directors in order to make ourselves aware of any relevant audit information and to establish that the company's auditor is aware of that information.

Auditor

Azets Audit Services are deemed to be re-appointed under section 487(2) of the Companies Act 2006.

This report was approved by the board and signed on its behalf by:

Date: 4th September 2026

Burness Paull LLP
Secretaries

Company registered office:
Waverley Court
4 East Market Street Edinburgh
EH8 8BG

C.E.C. HOLDINGS LIMITED

Independent Auditor's Report to the Members of C.E.C. Holdings Limited

For the year ended 31 December 2025

Opinion

We have audited the financial statements of C.E.C. Holdings Limited for the year ended 31 December 2025 which comprise consolidated and parent company statement of profit or loss, consolidated and parent company statement of financial position, consolidated and parent company statement of changes in equity, consolidated and parent company statement of cash flows and notes to the financial statements, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK adopted International Accounting Standards.

In our opinion:

- the financial statements give a true and fair view of the state of the group and parent company's affairs as at 31 December 2025 and of the group's profit for the year then ended;
- the group financial statements have been properly prepared in accordance with UK adopted International Accounting Standards;
- the parent company financial statements have been properly prepared in accordance with UK adopted International Accounting Standards; and
- the financial statements have been prepared in accordance with the requirements of the Companies Act 2006.

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 group and parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our 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 audit opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the Directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the Directors with respect to going concern are described in the relevant sections of this report.

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 this regard.

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 Strategic Report and the Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Directors' Report have been prepared in accordance with applicable legal requirements.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

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 parent company 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.

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 group and parent 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 group or the parent 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 Financial Reporting Council's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above and on the Financial Reporting Council's website, to detect material misstatements in respect of irregularities, including fraud.

We obtain and update our understanding of the entity, its activities, its control environment, and likely future developments, including in relation to the legal and regulatory framework applicable and how the entity is complying with that framework. Based on this understanding, we identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. This includes consideration of the risk of acts by the entity that were contrary to applicable laws and regulations, including fraud.

In response to the risk of irregularities and non-compliance with laws and regulations, including fraud, we designed procedures which included:

- Enquiry of management around actual and potential litigation and claims as well as actual, suspected and alleged fraud;
- Reviewing minutes of meetings of those charged with governance;
- Assessing the extent of compliance with the laws and regulations considered to have a direct material effect on the financial statements or the operations of the group and company through enquiry and inspection;
- Reviewing financial statement disclosures and testing to supporting documentation to assess compliance with applicable laws and regulations;
- Performing audit work over the risk of management bias and override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and reviewing accounting estimates for indicators of potential bias.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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.

Allison Gibson, Senior Statutory Auditor
For and on behalf of Azets Audit Services, Statutory Auditor
Chartered Accountants
Quay 2
139 Fountainbridge
Edinburgh
EH3 9QG

Date:

C.E.C. HOLDINGS LIMITED

Consolidated and Parent Company Statement of Profit or Loss

For the year ended 31 December 2025

		Consolidated Group		Parent Entity	
	Note	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Continuing Operations					
Revenue	3	37,308	11,134	-	-
Cost of sales		(25,131)	(6,399)	-	-
Gross profit		12,177	4,735	-	-
Development expenses		-	(146)	-	-
Employee benefits expense	9	(3,105)	(2,976)	-	-
Administrative expenses		(1,348)	(867)	(53)	(52)
Profit/(loss) from operations		7,724	746	(53)	(52)
Finance income	5	986	774	(942)	266
Finance costs	6	646	(394)	944	(266)
Other income	7	554	10	-	-
Profit/(loss) before income tax expense		9,910	1,136	(51)	(52)
Tax (charge)/credit	8	(1,085)	11	(224)	11
Profit/(loss) for the year from continuing operations		8,825	1,147	(275)	(41)
Other comprehensive income					
Other gains – loan stock forgiven	30	1,000	-	1,000	-
Other losses – investment reduction following loan stock forgiven	13	-	-	(1,000)	-
Total comprehensive income for the year		9,825	1,147	(275)	(41)
Attributable to:					
Equity holders of the parent		9,825	1,147	(275)	(41)

The accompanying notes form part of these financial statements.

C.E.C. HOLDINGS LIMITED

Consolidated and Parent Company Statement of Financial Position

As at 31 December 2025

	Note	Consolidated Group 2025 £'000	Consolidated Group 2024 £'000	Parent Entity 2025 £'000	Parent Entity 2024 £'000
Non-current assets					
Property, plant and equipment	10	6,073	6,065	-	-
Investment property	12	248	248	-	-
Investments in associates and subsidiaries	13	-	268	20,903	21,903
Investments in financial instruments	14	5,126	-	-	-
Non-current receivables	16	8,557	-	8	2,828
Total non-current assets		20,004	6,581	20,911	24,731
Current assets					
Cash and cash equivalents	21	16,503	8,477	70	2
Cash on deposit	22	5,670	10,591	-	-
Trade and other receivables	16	12,336	3,217	1,876	12
Inventory	15	1,601	4,443	-	-
Total current assets		36,110	26,728	1,946	14
Total assets		56,114	33,309	22,857	24,745
Equity and Liabilities					
Equity attributable to equity holders of the parent					
Contributed equity	23	3,000	3,000	3,000	3,000
Retained earnings	24	(45,252)	(55,077)	553	828
Capital contribution reserve	24	68,062	68,387	11,523	12,523
Total equity		25,810	16,310	15,076	16,351
Non-current liabilities					
Non-current payables	18	9,166	5,068	5,518	8,338
Deferred income & capital grants	20	1,498	1,584	-	-
Lease obligations	11	375	541	-	-
Provisions	19	1,248	938	-	-
Total non-current liabilities		12,287	8,131	5,518	8,338
Current liabilities					
Trade and other payables	17	18,017	8,868	2,263	56
Total current liabilities		18,017	8,868	2,263	56
Total liabilities		30,304	16,999	7,781	8,394
Total equity and liabilities		56,114	33,309	22,857	24,745

The financial statements were approved by the board of Directors and authorised for issue on 4 September 2026 and are signed on its behalf by

L M Cameron , Director

Registered number SC135444

The accompanying notes form part of these financial statements.

C.E.C. HOLDINGS LIMITED

Consolidated and Parent Company Statement of Changes in Equity

As at 31 December 2025

Group	Share Capital £'000	Capital Contribution £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2024	3,000	67,789	(56,224)	14,565
Profit for the year	-	-	1,147	1,147
Net movement on recognition of loans	-	598	-	598
Balance at 31 December 2024	3,000	68,387	(55,077)	16,310
Balance at 1 January 2025	3,000	68,387	(55,077)	16,310
Profit for the year	-	-	9,825	9,825
Net movement on recognition of loans	-	675	-	675
Capital contribution adjustment	-	(1,000)	-	(1,000)
Balance at 31 December 2025	3,000	68,062	(45,252)	25,810

Parent Company	Share Capital £'000	Capital Contribution £'000	Retained Earnings £'000	Total £'000
Balance at 1 January 2024	3,000	12,523	869	16,392
Loss for the year	-	-	(41)	(41)
Balance at 31 December 2024	3,000	12,523	828	16,351
Balance at 1 January 2025	3,000	12,523	828	16,351
Loss for the year	-	-	(275)	(275)
Capital contribution adjustment	-	(1,000)	-	(1,000)
Balance at 31 December 2025	3,000	11,523	553	15,076

The accompanying notes form part of these financial statements.

C.E.C. HOLDINGS LIMITED

Consolidated and Parent Company Statement of Cash Flows

For the year ended 31 December 2025

		Consolidated Group		Parent Entity	
		2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash flow from operating activities					
Profit/(loss) for year		9,825	1,147	(275)	(41)
Adjustments for:					
Depreciation		667	554	-	-
Interest received		(986)	(774)	942	(266)
Interest paid		(646)	394	(944)	266
Release of deferred grant income		(49)	(49)	-	-
Decrease/(Increase) in inventories		2,842	(75)	-	-
(Increase)/decrease in receivables		(17,676)	(810)	945	(262)
Increase/(decrease) in payables		12,156	2,311	(826)	294
Increase in provisions		310	60		-
Tax charge/(credit)		1,085	(11)	224	(11)
Gain arising on investment disposal		(119)	-	-	-
Other gains arising from loan stock forgiveness		(1,000)	-	-	-
Net cash flows from operating activities		6,409	2,747	66	(20)
Cash flow from investing activities					
Purchase of property, plant and equipment		(675)	(733)	-	-
Proceeds from disposal of investments		387	-	-	-
Payment to acquire financial instruments		(5,126)	-	-	-
Interest received		986	774	(942)	266
Net cash flows from investing activities		(4,428)	41	(942)	266
Cash flow from financing activities					
Receipt of loan stock		675	598	-	-
Interest paid		646	(394)	944	(266)
Repayment of lease liability		(197)	(193)	-	-
Net cash flows from financing activities		1,124	11	944	(266)
Net Increase/(decrease) in cash and cash equivalents		3,105	2,799	68	(20)
Cash and cash equivalents at beginning of year		19,068	16,269	2	22
Cash and cash equivalents at end of year		22,173	19,068	70	2
Bank balances and cash	21	16,503	8,477	70	2
Cash on deposit	22	5,670	10,591	-	-

The accompanying notes form part of these financial statements.

1. Presentation of financial statements

The group's financial statements have been prepared in accordance with UK adopted International Accounting Standards and applied in accordance with the provisions of the Companies Act 2006.

Adoption of new and revised standards

The Company has adopted, where applicable, the following new and amended IFRSs as of 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21)

Other new standards, amendments to standards and interpretations that are mandatory for the first time in 2025 are considered to have no significant or material effect on the group and company's financial statements.

Guidance in issue but not in force

IAS 8 requires disclosure of guidance in issue but not in force. The minimum disclosure relates to guidance issued by 31 December 2025, and with potential effect.

International Accounting Standards and Interpretations	Effective for periods beginning on or after
• Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7);	1 January 2026
• Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7);	1 January 2026
• Annual Improvements to IFRS – Volume 11 (Amendments to IAS 7, IFRS 1, IFRS 7, IFRS 9 and IFRS 10);	1 January 2026
• IFRS 18 Presentation and Disclosure in Financial Statements;	1 January 2027
• IFRS 19 Subsidiaries without Public Accountability: Disclosures;	1 January 2027
• Translation into a Hyperinflationary Presentation Currency (Amendments to IAS 21);	1 January 2027
• IFRS for SMEs Accounting Standard - Third Edition; and	1 January 2027
• Updating IFRS 19 Subsidiaries without Public Accountability: Disclosure	1 January 2027

The Directors have reviewed the requirements of the new standards and interpretations listed above and they are either not applicable or not expected to have a material impact on the Group and Company's financial statements in the period of initial application.

2. Significant accounting policies

The consolidated financial statements of C.E.C. Holdings Limited have been prepared in accordance with UK adopted International Accounting Standards and applied in accordance with the provisions of the Companies Act 2006.

The financial statements have been prepared on the historical cost basis, as modified by the valuation of investment properties and certain financial instruments. Monetary amounts in these financial statements have been rounded to the nearest thousand £s.

Accounting policies are selected and applied in a manner which ensures that the resulting financial information satisfies the concepts of relevance and reliability, thereby ensuring that the substance of the underlying transactions or other events is reported.

The following significant accounting policies, which are consistent with the previous period unless otherwise stated, have been adopted in the preparation of this report.

a. Basis of consolidation

The consolidated financial statements are prepared by combining the financial statements of all the entities that comprise the economic entity, being the company (the Parent Company) and its controlled entities as defined in accounting standard IAS 27 “Consolidated and Separate Financial Statements”. A list of controlled entities appears in note 13 to the financial statements. Consistent accounting policies are employed in the preparation and presentation of the consolidated financial statements.

All inter-company balances and transactions between entities in the economic entity, including any unrealised profits or losses, have been eliminated on consolidation.

Where a controlled entity has left the economic entity during the year its operating results have been included until the date control ceased.

b. Going concern

The future of the company and group is dependent on the continued financial support of the company’s shareholders. The Company’s ultimate parent shareholder, The City of Edinburgh Council, has committed to providing continued funding, sufficient to meet all liabilities as and when they fall due.

After making suitable enquiries, the Directors have a reasonable expectation that the Group and Company has adequate resources to remain in operation for the foreseeable future and have therefore continued to adopt the going concern basis of accounting in preparing the annual financial statements.

c. Investments in associates

The group’s share of its associates’ post-acquisition profits or losses is recognised in the income statement, and its share of post-acquisition movements in reserves is recognised in reserves. The cumulative post-acquisition movements are adjusted against the carrying amount of the investment. When the group’s share of losses in an associate equals or exceeds its interest in the associate, including any other unsecured receivables, the group does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

Unrealised gains on transactions between the group and its associates are eliminated to the extent of the group’s interest in the associates. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of associates have been changed where necessary to ensure consistency with the policies adopted by the group.

2. Significant accounting policies (cont'd)

d. Income tax

The charge for income tax expense for the year is based on the profit for the year adjusted for any non-assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantively enacted by the balance sheet date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxable profit or loss.

Deferred tax is calculated at the tax rates that are expected to apply to the period when the asset is realised or liability is settled. Deferred tax is credited in the income statement except where it relates to items that may be credited directly to equity, in which case the deferred tax is adjusted directly against equity. Deferred tax assets are recognised to the extent that it is probable that future profits will be available against which deductible temporary differences can be utilised.

The amount of benefit brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in income taxation legislation and the anticipation that the economic entity will derive sufficient future assessable income to enable the benefit to be realised and comply with the conditions of deductibility imposed by the law.

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.

e. Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. Cost comprises the aggregate amount paid and the cost of any other consideration given to acquire the asset and includes costs directly attributable to making the asset capable of operating as intended.

Depreciation is provided on all property, plant and equipment on a straight-line basis over its expected useful life as follows: Infrastructural works - 20 years; Leasehold Land and Buildings - 10 to 50 years; Office Equipment and Furniture – 3 to 10 years.

Management use judgement in arriving at the depreciation policy by taking account of the residual value of the assets concerned and their useful economic life. The group expects that items of property, plant and equipment will be used for their entire life and as a result it is expected that these items will have no residual value. An assets useful economic life is based on past experience and general expectations.

The carrying values of property, plant and equipment are reviewed for impairment if events or changes in circumstances indicate the carrying value may not be recoverable, and are written down immediately to their recoverable amount. Useful lives and residual values are reviewed annually and where adjustments are required these are made prospectively.

An item of property, plant or equipment is derecognised upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on the derecognition of the asset is included in the income statement in the period of derecognition.

The capitalisation of infrastructural works and assets under construction is based on management's judgement of when a project's future economic benefit can be determined. Initial project development costs in respect of feasibility studies, design team fees and pre construction activities are expensed via the income statement. However, once a project's feasibility has been determined and a future benefit is expected to arise from it the costs of that project are capitalised.

2. Significant accounting policies (cont'd)

f. Leasing and hire purchase commitments

Assets held under finance leases, which are leases where substantially all the risks and rewards of ownership of the asset have passed to the group, and hire purchase contracts are capitalised in the statement of financial position and are depreciated over the shorter of the lease term and the asset's useful lives. The capital elements of future obligations under leases and hire purchase contracts are included as liabilities in the statement of financial position.

The interest elements of the rental obligations are charged in the income statement over the periods of the leases and hire purchase contracts and represent a constant proportion of the balance of capital repayments outstanding.

The lease of the Conference Centre was treated as a finance lease until 8 December 1999 when the option to enter into a new lease was exercised. From this date the assets have been depreciated over their useful lives, rather than the period of the lease, as the substance of the transaction is effectively that of financing. The leaseholders hold no rights to impose restrictions on or reclaim the title of the Conference Centre.

g. Right of use assets and liabilities

For all contracts in existence on 1 January 2020 and any new contracts entered into on or after 1 January 2020 the group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset for a period of time in exchange for consideration'.

Where it is determined that: the contract contains an identified asset; the group has the right to obtain substantially all of the economic benefits from the use of that asset throughout the period of use; and it has the right to direct the use of that asset throughout the period of use, the contract will be deemed to include a right-of-use-asset.

At lease commencement date, a right-of-use asset and a lease liability are recognised on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred and an estimate of any costs required to dismantle and remove the asset at the end of the lease.

The right-of-use assets are depreciated on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term.

The lease liability is measured at the commencement of the lease as the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an incremental borrowing rate.

The lease liability is subsequently reduced by the value of lease rentals paid and increased by a charge for interest, based on the value of the outstanding lease liability.

Within the statement of financial position, right-of-use assets have been included in property, plant and equipment and lease liabilities have been included in financial liabilities.

h. Inventories

Inventory is stated at the lower of cost and net realisable value. Cost relates to purchase costs and direct labour costs incurred in bringing the inventories up to a saleable state.

i. Borrowing costs

Borrowing costs directly attributable to the acquisition, construction or production of assets that necessarily take a substantial period of time to prepare for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale.

All other borrowing costs are recognised in income in the period in which they are incurred.

2. Significant accounting policies (cont'd)

j. Impairment

The carrying value of all assets are reviewed for impairment at each reporting date, with the recoverable amount being estimated when events or changes in circumstances indicate that the carrying value may be impaired.

The recoverable amount of all assets is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which it belongs, unless the asset's value in use can be estimated to be close to its fair value.

An impairment exists when the carrying value of the asset or cash-generating units exceeds its estimated recoverable amount. The asset or cash-generating unit is then written down to its recoverable amount.

k. Employee entitlements

The group operates a defined contribution pension scheme. Contributions are charged to the income statement as they become payable in accordance with the rules of the scheme.

l. 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.

The group 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 irrecoverable.

Trade receivables are classified as current or non-current based on their contractual settlement dates. Amounts due within twelve months are classified as current, with the remaining balance classified as non-current.

Cash and cash equivalents

Cash and cash equivalents comprise cash at bank; cash held with investment manager, and cash on hand.

Cash on deposit

Cash on deposit in the statement of financial position comprise cash on deposit at a fixed interest rate.

2. Significant accounting policies (cont'd)

l. Financial instruments (cont'd)

Trade and other payables

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method, unless the effect would not be material.

Loans

Loans are initially recognised at fair value and then held at amortised cost using the effective interest rate method of calculation. The effective interest rate charge for the year is included in finance costs in the income statement.

m. Investment property

Investment property is property held to generate rental income and/or for capital appreciation. The value at the balance sheet date reflects the net realisable value of the property.

n. Investments in subsidiaries

Investments in subsidiary undertakings are stated at cost less provision for permanent impairment.

o. Revenue

Revenue is measured at the fair value of consideration received from income from the group's ordinary 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 collectively probable.

Rentals receivable under operating leases are recognised in the income statement over the term of the lease on a straight line basis.

Revenue from dividend income is recognised when the rights of the shareholder to receive the payment are determined.

Where payment terms extend beyond the transfer of control and provide a significant benefit of financing to the customer, revenue is measured at the present value of the consideration using a discount rate reflecting a separate financing transaction.

p. Critical accounting estimates and judgements

In applying the accounting policies, the Directors may at times, be required 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.

Key estimates:

i. *Provisions* – provisions are based on estimated costs provided by external professionals. The Directors review provisions regularly to assess how reasonable and accurate they are.

The other areas impacted by such judgements and estimation uncertainties, within these accounts, relate primarily to the depreciation policy used, assumptions used in undertaking impairment reviews and the basis of determining whether or not to capitalise equipment purchases in respect of fixed assets, the recoverability of items contained within trade and other receivables and the discount interest rates to fair value loan stock and right-of-use assets.

2. Significant accounting policies (cont'd)

q. Value added tax

Revenues, expenses and assets are recognised net of the amount of value added tax (VAT), except:

i. Where the amount of VAT incurred is not recoverable from the taxation authority, it is recognised as part of the cost of acquisition of an asset or as part of an item of expense; or
ii. For receivables and payables, which are recognised inclusive of VAT.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of receivables or payables.

Cash flows are included in the statement of cash flows on a gross basis. The VAT component of cash flows arising from investing and financing activities which is recoverable from, or payable to, the taxation authority is classified as operating cash flows.

r. Provisions

Provisions are recognised when the group and company has a present legal or constructive obligation as a result of past events, it is probable that an outflow of economic benefits will be required to settle the obligation, and a reliable estimate of the amount can be made. Further details of the provisions recognised in the year can be found at Note 19.

s. Grants receivable

Grants are accounted for by the group when receivable.

Grants in respect of capital expenditure are credited to deferred income and are released to income in equal amounts over the expected useful lives of the relevant assets by equal annual instalments.

Where grants are given for a specific purpose they are released to the income statement to match the cost of the completed project.

Grants from government bodies and similar organisations are recognised where there is reasonable assurance that the grant will be received, and the group will comply with all attached conditions.

t. Foreign currency translation

Transactions in foreign currencies are initially recorded in the group's functional currency by applying the spot exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the functional currency rate of exchange ruling at the reporting date. All differences are taken to the income statement.

u. Interest receivable

Interest income is recognised using the effective interest method.

3. Revenue

An analysis of revenue is as follows:

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Rendering of services	783	231	-	-
Provision of conferencing facilities	10,081	10,903	-	-
Sale of land	26,444	-	-	-
	37,308	11,134	-	-

4. Profit/(loss) before tax

Profit/(loss) before tax is stated after charging:

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Auditor's remuneration:				
- Audit	55	45	11	14
- Non-Audit	29	35	17	13
Depreciation and other amounts written off tangible fixed assets owned	667	554	-	-
Capital grant released	(49)	(49)	-	-

5. Finance income

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Other interest receivable	986	774	58	266
Reversal of previously recognised finance income	-	-	(1,000)	-
	986	774	(942)	266

6. Finance costs

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
On secured loan stock held by the City of Edinburgh Council	158	344	56	266
Effective interest on right-of-use assets	42	50	-	-
Other finance costs	154	-	-	-
Reversal of previously recognised finance costs	(1,000)	-	(1,000)	-
	(646)	394	(944)	266

7. Other income

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Rental income	5	5	-	-
Gain on sale of investment	119	-	-	-
Other income	430	5	-	-
	554	10	-	-

Rental income is from investment properties in relation to property development in Parc Craigmillar Limited.

8. Tax charge/(credit)

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current tax:				
- Domestic	1,399	-	213	-
- Tax adjustments, reliefs and transfers	(8)	(11)	-	(11)
- Adjustments in respect of previous periods	(306)	-	11	-
	1,085	(11)	224	(11)
The tax charge/(credit) is allocated in the financial statements as follows:				
Statement of Profit and Loss	1,085	(11)	224	(11)
Statement of Changes in Equity	-	-	-	-
	1,085	(11)	224	(11)

Domestic tax is calculated at 25% (2024: 25%) of the estimated assessable profit/(loss) for the year. Taxation for other jurisdictions is calculated at the rates prevailing in the respective jurisdictions.

8. Tax charge/(credit) (continued)

The charge/(credit) for the year can be reconciled to the profit/(loss) per the income statement as follows:

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Profit/(loss) on ordinary activities before taxation	9,910	1,136	(51)	(52)
Profit/(loss) on ordinary activities at the effective rate of corporation tax of 24.75% (2024: 25%)	2,453	284	(12)	(13)
Effects of:				
Expenses not taxable for tax purposes	253	6	250	-
Income not taxable for tax purposes	(280)	(1)	-	-
Chargeable gains	-	-	-	-
Fixed asset differences	43	43	-	-
Movement in deferred tax not recognised	(1,416)	(332)	(25)	13
Adjustment in respect of previous years	32	(12)	11	(11)
Losses claimed	1,391	-	213	-
Group relief	(1,391)	-	(213)	-
Current tax charge/(credit) for year attributable to the company and its subsidiaries	1,085	(11)	224	(11)

9. Employee benefits expense

The company has an average of nil employees during the year (2024: nil). The average number of persons employed by the group (including Directors) during the year was 50 (2024: 50).

The aggregate payroll costs of these persons were as follows:

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Wages and salaries	2,637	2,567	-	-
Social security costs	253	213	-	-
Pension costs	215	196	-	-
	3,105	2,976	-	-

No remuneration (2024: £nil) is paid to Directors or non-executive Directors of the parent company. No Directors (2024: nil) received remuneration from subsidiary companies, relative to serving on this company's Board.

10. Property, plant and equipment

2025	Right-of-use assets £'000	Leasehold Properties £'000	Infra-Structural Works £'000	Office Equipment & Furniture £'000	Total £'000
Group					
Cost or valuation					
At beginning of year	1,325	35,603	6,670	7,990	51,588
Additions	-	-	-	675	675
Disposal	-	-	-	-	-
At end of year	1,325	35,603	6,670	8,665	52,263
Depreciation					
At beginning of year	(714)	(31,334)	(6,670)	(6,805)	(45,523)
Charge for year	(150)	(171)	-	(346)	(667)
Released on disposal	-	-	-	-	-
At end of year	(864)	(31,505)	(6,670)	(7,151)	(46,190)
Net book value					
At 31 December 2025	461	4,098	-	1,514	6,073
At 31 December 2024	611	4,269	-	1,185	6,065

2024	Right-of-use assets £'000	Leasehold Properties £'000	Infra-Structural Works £'000	Office Equipment & Furniture £'000	Total £'000
Group					
Cost or valuation					
At beginning of year	1,190	35,603	6,670	7,392	50,855
Additions	135	-	-	598	733
Disposal	-	-	-	-	-
At end of year	1,325	35,603	6,670	7,990	51,588
Depreciation					
At beginning of year	(568)	(31,163)	(6,670)	(6,568)	(44,969)
Charge for year	(146)	(171)	-	(237)	(554)
Released on disposal	-	-	-	-	-
At end of year	(714)	(31,334)	(6,670)	(6,805)	(45,523)
Net book value					
At 31 December 2024	611	4,269	-	1,185	6,065
At 31 December 2023	622	4,440	-	824	5,886

Leasehold properties consist of heritable property constructed on land that is leased by a subsidiary company until 2117.

11. Lease obligations

As a lessee

The Group has leases for several properties. With the exception of leases of low-value underlying assets, each lease is reflected in the Statement of Financial Position.

Leases of properties have a remaining lease term ranging from 2 to 14 years. All lease payments are fixed and all lease contracts are non-cancellable. The Group does not sublet any of the properties under lease contract.

Right-of-use assets

	Consolidated Group 2025 £'000	Parent Entity 2025 £'000
Net book value at 1 January	611	-
Additions	-	-
Depreciation charge for the year	(150)	-
Net book value at 31 December	461	-

Right-of-use assets

	Consolidated Group 2024 £'000	Parent Entity 2024 £'000
Net book value at 1 January	622	-
Additions	135	-
Depreciation charge for the year	(146)	-
Net book value at 31 December	611	-

11. Lease obligations (continued)

Lease liabilities are presented in the statement of financial position as follows:

Analysed as:	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Current (note 17)	165	156	-	-
Non-current	375	541	-	-

The lease liabilities are secured on the related underlying assets. The undiscounted maturity analysis of lease liabilities as at 31 December is as follows:

Consolidated group	Within 1 year 2025 £'000	Between 2 and 5 years 2025 £'000	Over 5 years 2025 £'000
Lease liability - properties	165	375	-
Net present value	165	375	-

Consolidated group	Within 1 year 2024 £'000	Between 2 and 5 years 2024 £'000	Over 5 years 2024 £'000
Lease liability - properties	156	541	-
Net present value	156	541	-

The group has entered into a number of leases in relation to office accommodation, office equipment and motor vehicles. These leases are in respect of identified assets and under the terms of the agreements the group has the right to obtain substantially all of the economic benefits from the use of the assets throughout the period of their use. It also has the right to direct the use of the assets throughout their period of use.

The lease liability, in respect of these assets, is measured at the commencement of the lease as the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or an incremental borrowing rate.

The lease liability is subsequently reduced by the value of lease rentals paid and increased by a charge for interest, based on the value of the outstanding lease liability.

12. Investment property

	Investment property
	£'000
Group	
Valuation	
At 1 January 2025	248
Increase/(decrease) in fair value	-
At 31 December 2025	248
Net book value	
At 31 December 2025	248
At 31 December 2024	248

An investment property owned by Parc Craigmillar Limited was valued at £247,934 at 31 December 2025 by an internal Chartered Surveyor on the basis of open market value for existing use. The valuation was carried out in accordance with the Practice Statement in RICS Appraisal and Valuation Manual.

The value at the balance sheet date reflects the net realisable value of this property.

The related rental income recognised in the Statement of Profit or Loss was £4,833 (2024: £4,833) along with direct operating expenses of £nil (2024: £nil).

The Scottish Ministers hold a standard security on a development property in respect of any amounts due to them by the subsidiary company. The carrying value of this at the year-end is £nil (2024: £nil).

Under the fair value hierarchy in IFRS 13 – Fair Value Measurement, investment property is deemed a level 2. Level 2 inputs are inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

13. Fixed asset investments

Group

	Associated Undertakings
Post acquisition reserves	**£'000**
At 1 January 2025	268
Movement in provision - disposal	(268)
At 31 December 2025	-
Net book value	
Share of net assets in associated undertakings	
At 31 December 2025	-
At 31 December 2024	268

During the year, the Group disposed of its shareholding in Caledonia Waterfront (Harbour Road) Limited. The gain on disposal has been recognised in other income.

Company

	Shares in Group Undertakings £'000	Loans to Group Undertakings £'000	Total £'000
Shares and loans			
At 1 January 2025	13,517	8,386	21,903
Movement following loan stock forgiven	-	(1,000)	(1,000)
Net book value			
At 31 December 2025	13,517	7,386	20,903

The City of Edinburgh Council paid for convertible unsecured loan stock with a value of £45.298m on behalf of C.E.C. Holdings Limited. Further non-convertible unsecured loan stock was issued by Edinburgh International Conference Centre Limited to C.E.C. Holdings Limited, in exchange for funding provision of £7.386m. This was matched by the issue of non-convertible loan stock to The City of Edinburgh Council by C.E.C. Holdings Limited. Further details are provided in note 18.

13. Fixed asset investments (continued)

The principal companies in which the company's interest is more than 10% are as follows:

Company	Principal Activity	Registered office and country of incorporation	Percentage of Share Capital Held
The EDI Group Limited	Property development and investment	Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG, Scotland	100% ordinary shares
Edinburgh International Conference Centre Limited	Conference centre operator	The Exchange, 150 Morrison Street, Edinburgh, EH3 8EE, Scotland	100% preferred ordinary shares, 100% ordinary shares, 100% preference shares
Edinburgh International Conference Centre Hotels Limited	Letting and operating of conference and exhibition centres	The Exchange, 150 Morrison Street, Edinburgh, EH3 8EE, Scotland	100% ordinary shares
Parc Craigmillar Limited	Regeneration	Waverley Court, 4 East Market Street, Edinburgh, EH8 8BG, Scotland	100% ordinary shares
Waterfront Edinburgh Limited (associate of The EDI Group Limited)	Regeneration	Titanium 1, King's Inch Place, Renfrew, PA4 8WF	100% ordinary shares

All companies where greater than 50% of the share capital is held have been consolidated.

In January 2025, New Laurieston (Glasgow) Limited was dissolved.

14. Investments in financial instruments

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
As at 1 January	-	-	-	-
Additions	6,434	-	-	-
Disposals	(1,400)	-	-	-
Interest income recognised	92	-	-	-
	5,126	-	-	-

15. Inventory

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Development properties and associated costs	1,601	4,443	-	-

16. Trade and other receivables

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade receivables	11,052	2,117	-	-
Amounts owed by group & associated undertakings	693	617	-	-
Other receivables	234	127	1,876	12
Prepayments and accrued income	357	356	-	-
	12,336	3,217	1,876	12
Non-current trade and other receivables				
Other receivables	8,557	-	8	2,828
	20,893	3,217	1,884	2,840

At 31 December, the analysis of trade receivables that were past due but not impaired is as follows:

	Total	Neither past due nor impaired	Past due but not impaired		
			< 30 days	30 – 90 days	> 90 days
	£'000	£'000	£'000	£'000	£'000
At 31 December 2025	11,052	10,460	468	121	3
At 31 December 2024	2,117	1,517	316	269	15

The credit rating of trade receivables that are neither past due nor impaired is assessed by reference to external credit ratings, where available, historical information in respect of repeat business and payment history with regard to current business.

17. Trade and other payables

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Trade and other payables	4,693	1,713	-	-
Non-convertible unsecured loan stock	-	-	1,876	-
Amounts due to group & associated undertakings	7,818	565	353	-
Other taxation and social security	415	569	-	-
Accruals and deferred income	4,877	5,816	34	56
Lease obligations (note 11)	165	156	-	-
Capital grants (note 20)	49	49	-	-
	18,017	8,868	2,263	56

18. Non-current payables

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Non-current				
Convertible unsecured loan stock	1,847	2,240	-	-
Non-convertible unsecured loan stock	1,884	2,828	5,518	8,338
Trade and other payables	2,616	-	-	-
Amounts due to group & associated undertakings	2,819	-	-	-
	9,166	5,068	5,518	8,338

The group non-convertible unsecured loan stock is held by the City of Edinburgh Council, the company's parent undertaking. It bears no interest or the interest has been waived by the stockholder.

The parent entity non-convertible unsecured loan stock is held by CEC Holdings Limited with EICC Limited. It bears no interest or the interest has been waived by the stockholder.

The non-convertible unsecured loan stock has been recognised at fair value by discounting the future cash flows using market interest rates. Loan stocks are then held at amortised cost by applying an effective interest rate, to increase the loan stock to its face value over the term of the loan stock. The difference between the loan stock's amortised cost and its face value has been recognised in the income statement.

The convertible unsecured loan stock is held by the City of Edinburgh Council in The EDI Group Limited. It bears interest at a variable rate and was due to be repaid by 31 March 2018. The Council has agreed to the repayment being delayed and settled as part of the closure process against the transfer of land and buildings to the Council or in cash as assets are realised.

Group

	Cost as at 31 December 2025 £'000	Effective interest for the year ended 31 December 2025 £'000
Convertible unsecured loan stock 2018	1,847	102
	1,847	102

The non-convertible unsecured loan stock is repayable as follows:

Loan Stock	Effective Interest Rate %	Amortised cost as at 31 December 2025 £'000	Effective interest for year ended 31 December 2025 £'000
Non-Convertible Unsecured Loan Stock 2026	75	339	(1,000)
Non-Convertible Unsecured Loan Stock 2026	75	868	-
Non-Convertible Unsecured Loan Stock 2026	70	546	-
Non-Convertible Unsecured Loan Stock 2026	75	123	53
Non-Convertible Unsecured Loan Stock 2034	75	2	1
Non-Convertible Unsecured Loan Stock 2035	75	4	1
Non-Convertible Unsecured Loan Stock 2036	75	2	1
		1,884	(944)

18. Other financial liabilities (continued)

Parent entity
The non-convertible loan stock which is repayable in 2026 was issued to the City of Edinburgh Council by C.E.C. Holdings Limited and has a fair value of £7,386k matched by a corresponding investment of £7,386k in loan stock issued by Edinburgh International Conference Centre Limited. The loans have been recognised at a fair value of £7,394k (2024: £8,338k) after discounting the future cash flows using market interest rates.

This investment is classified as 'Loans to group undertakings' within Fixed Asset Investments (see note 13) in the Company Statement of Financial Position. The remaining non-convertible loan stock, recognised at an amortised cost of £nil and with a total fair value of £63,432k, was issued directly to The City of Edinburgh Council by Edinburgh International Conference Centre Limited.

19. Provisions

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Remedial works				
Balance brought forward	450	390	-	-
Provision recognised in year	295	70	-	-
Provision released in year	-	(10)	-	-
Balance carried forward	745	450	-	-
Infrastructure expenditure				
Balance brought forward	330	330	-	-
Provision recognised in year	-	-	-	-
Provision released in year	-	-	-	-
Balance carried forward	330	330	-	-
Other				
Balance brought forward	150	150	-	-
Provision recognised in year	-	-	-	-
Provision released in year	-	-	-	-
Balance carried forward	150	150	-	-
Repair costs				
Balance brought forward	8	8	-	-
Provision recognised in year	15	-	-	-
Provision released in year	-	-	-	-
Balance carried forward	23	8	-	-
Balance carried forward	1,248	938	-	-

19. Provisions (continued)

Infrastructure expenditure
Provisions for infrastructure expenditure required for completed projects in Parc Craigmillar Limited totalling £330,000 has been provided for.

Remedial works
In 2022, it was agreed between the City of Edinburgh Council and Parc Craigmillar Limited that Parc Craigmillar Limited would make a contribution of £380,000 to allow for remedial works to be carried out on roads within its historical scope.

A provision of £10,000 was released during the prior year for roof repairs on investment property held by Parc Craigmillar Limited.

An additional provision was recognised during the current year of £100,000 for infrastructure repairs on investment property held by Parc Craigmillar Limited.

An additional provision was recognised during the current year of £42,038 towards the remedial works to be carried out on the roads within the historical scope.

An additional provision was recognised during the current year of £152,730 towards the remedial works to be carried out on drainage infrastructure held by PARC Craigmillar Limited.

Other
In 2023 it was agreed between the City of Edinburgh Council and The EDI Group Limited, that The EDI Group Limited would make a contribution of £150,000 with regards to a previous lease held within the group.

Repair costs
Provisions recognised in the prior year relate to repair costs for plant and equipment. A further £15,000 has been provided for in the current year.

20. Deferred income & capital grants

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Capital grants	963	1,012	-	-
Deferred income	4,125	4,024	-	-
	5,088	5,036	-	-

The group has claimed capital grant funding from the Town Centre Regeneration Fund, made available by the Scottish Ministers. The Scottish Ministers hold a standard security on a development property in respect of any amounts due to them by the group. The total amount of grants that have been received in respect of building construction and road works is as follows:

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance brought forward	1,012	1,061	-	-
Received during period	-	-	-	-
Released during period	(49)	(49)	-	-
Capital grants carried forward	963	1,012	-	-
Analysed as follows:				
Current obligations (note 17)	49	49	-	-
Non-current obligations	914	963	-	-
Capital grants carried forward	963	1,012	-	-

The group has deferred income in relation to advance deposits received in respect of events which are due to take place after the year-end.

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Balance brought forward	4,024	3,382	-	-
Deferred during the year	3,504	3,737	-	-
Income released to profit and loss	(3,403)	(3,095)	-	-
Deferred income carried forward	4,125	4,024	-	-
Analysed as follows:				
Current obligations (included within note 17)	3,541	3,403	-	-
Non-current obligations	584	621	-	-
Deferred income carried forward	4,125	4,024	-	-

21. Cash at bank and in hand

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash at bank and in hand	16,503	8,477	70	2

22. Cash on deposit

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Cash on deposit	5,670	10,591	-	-

Cash on deposit earns interest at a fixed rate. The fair value of the fixed deposit investments is £5,670,185 (2024: £10,591,693).

23. Contributed equity

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Allotted, called up and fully paid				
Ordinary shares of £1 each	3,000	3,000	3,000	3,000

The ordinary shares of £1 each carry one vote per share and participate in profits available for dividend pro rata.

24. Reserves

Consolidated group	Capital Contribution £'000	Retained earnings £'000
At 1 January 2024	67,789	(56,224)
Profit for the year	-	1,147
Net movement on recognition of loans	598	-
At 1 January 2025	68,387	(55,077)
Profit for the year	-	9,825
Net movement on recognition of loans	(325)	-
At 31 December 2025	68,062	(45,252)

24. Reserves (continued)

Company	Capital Contribution £'000	Retained earnings £'000
At 1 January 2024	12,523	869
Loss for the year	-	(41)
At 1 January 2025	12,523	828
Loss for the year	-	(275)
Net movement on recognition of loans	(1,000)	-
At 31 December 2025	11,523	553

The capital contribution reserve represents the excess of the fair value over the amount paid for shareholdings and loan stock either gifted or sold to the group.

25. Pension commitments

Edinburgh International Conference Centre Limited operates a defined contribution scheme for its employees. The assets of this scheme are held separately from those of the group in an independently administered fund.

The total amount paid to the scheme during the year totals £214,968 (2024: £196,385).

The unpaid contributions outstanding at the year end, included in other payables, amount to £3,495 (2024: £3,025).

26. Capital commitments

At the year-end, EICC Limited had no contracted purchases of plant and equipment (2024: none).

27. Related party transactions

In accordance with IAS 24, transactions between Group entities fully eliminated on consolidation are not disclosed in this note to the financial statements. Transactions not fully eliminated on consolidation and transactions between Group entities and related entities outside of the Group are disclosed.

Related Party	Relationship	Group Company	Nature of Transaction	Value of transactions during year	Amount owed from/(to) at year end
				2025 £'000	2025 £'000
City of Edinburgh Council	Ultimate holding organisation	EICC	Loan stock (Face value)	-	(10,748)
			Amounts due from/(to) group undertaking	598	(675)
		EDI Group	Loan stock (Amortised cost) (note 18)	-	(1,847)
			Amounts due from/(to) group undertaking	(8,807)	(8,807)
			Staff recharge	(89)	(77)
			Sale of investment	393	-
			Gain on sale	119	-
			Interest on loan	(102)	(93)
		Parc Craigmillar Limited	Loan for infrastructure works	-	(248)
			In respect of an insurance claim	-	18
		C.E.C Holdings Limited	Unsecured loan notes (note 18)	(56)	(7,394)
			Non-convertible loan stock	-	(1,884)
			Loan stock write off	1,000	-
			Amounts owed to group	-	(20)
Edinburgh Trams Limited	Common ultimate holding organisation	EDI Group	Group tax relief	(1,178)	(1,178)
		CEC Holdings		(213)	(213)

28. Ultimate parent undertaking

The company is a subsidiary undertaking of the City of Edinburgh Council. Their accounts are available from the Director of Finance, Waverley Court, Edinburgh EH8 8BG.

29. Financial Instruments and Risk Management

The main purpose of non-derivative financial instruments is in respect to the group's trading activities and to raise finance for group operations. The group does not have any derivative instruments at 31 December 2025.

29. Financial Instruments and Risk Management (continued)

The group and parent company has the following categories of financial instruments at the balance sheet date.

	Consolidated Group		Parent Entity	
	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial assets				
Financial assets measured at amortised cost	47,835	21,928	1,954	2,842

	2025 £'000	2024 £'000	2025 £'000	2024 £'000
Financial liabilities				
Financial liabilities measured at amortised cost	24,335	11,394	7,550	8,394

Financial assets measured at amortised cost comprise investments in financial instruments, cash at bank, on deposit and in hand, trade receivables, accrued income, other receivables (excluding VAT receivable balances, tax receivables and prepayments).

Financial liabilities measured at amortised cost comprise trade payables, amounts due to group and associated undertakings, loan stock, accruals, provisions and other payables (excluding VAT payable balances, tax payables and deferred income).

Capital risk management

The group and parent 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 group and are therefore fully aware of the capital position of the group and parent 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 group's risk management policies and processes in order to identify, analyse and monitor the risks that are faced by the group. The group does not enter into or trade in financial instruments for speculative purposes.

Treasury risk management

The Board of Directors meet on a regular basis to analyse interest rate exposures and to evaluate treasury management strategies in the context of the most recent economic conditions and forecasts.

29. Financial Instruments and Risk Management (continued)

Financial risk exposures and management

The main risks that the group is exposed to through its financial instruments are credit risk, liquidity risk and market risk. These are managed as follows:

a. 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 group.

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance sheet date in respect of 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.

The Group carries a credit risk through its trade receivables, which arises from contracts with customers. Credit risk represents the risk of financial loss to the Group if a customer fails to meet its contractual obligations.

Credit risk is managed on a group basis and reviewed regularly by the Board of Directors. It arises from exposure to customers and amounts owed by group undertakings.

The Board of Directors monitor credit risk by actively assessing the rating quality and liquidity of counterparties:

- 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 group's strict credit policies may only purchase in cash or using recognised credit cards.

The credit risk for all counterparties included in trade and other receivables at 31 December 2025 is not rated.

Expected credit losses (ECL)

Trade receivables are measured at amortised cost and are subject to impairment under the ECL model in accordance with IFRS9. The group and parent company applies a simplified approach to trade receivables and therefore recognises the lifetime expected credit losses from initial recognition. Given the nature of the trade receivables, management considers that credit risk primarily reflects extended contractual payments rather than increased probability of default.

b. Liquidity Risk

Liquidity risk arises from the possibility that the group might encounter difficulty in settling its debts or otherwise meeting its obligations related to financial liabilities. The group manages this risk through the following mechanisms:

- preparing forward-looking cash flow analysis in relation to its operational, investing and financing activities; and
- ensuring that adequate unutilised borrowing facilities are maintained.

Cash flows realised from financial assets reflect management’s expectation as to the timing of realisation. Actual timing may therefore differ from that disclosed. The timing of cash flows reflects the earliest contractual settlement dates.

29. Financial Instruments and Risk Management (continued)

c. Market risk

Market risk is the risk that the value of sites and properties under development may fall resulting in potential losses upon disposal or sale of each site or property. Also included in market risk is interest rate risk, which is the risk that the expected receipts from deposits may fluctuate due to market conditions. The group monitors this risk but it is very unlikely to affect the group's overall liquidity.

d. Fair values

The Directors consider that the carrying value of all the group's financial assets and liabilities approximate their fair values at the balance sheet date.

In The EDI Group Limited, each asset and liability is valued to reflect its net recoverable value in line with the closure strategy in the Strategic Report.

The Directors therefore consider that the risk in relation to financial instruments at fair value is low.

30. Movements in financing liabilities arising from financing activities

Group	Convertible unsecured loan stock £'000	Non-convertible unsecured loan stock £'000	Total £'000
At 1 January 2025	2,240	2,828	5,068
Cash flows			
Movement in loan stock borrowings	(393)	-	(393)
Non cash flow borrowings			
Effective interest on loan stock balances	-	56	56
Movement in ageing profile of other financial liabilities	-	-	-
Loan stock forgiven	-	(1,000)	(1,000)
At 31 December 2025	1,847	1,884	3,731

Group	Convertible unsecured loan stock £'000	Non-convertible unsecured loan stock £'000	Total £'000
At 1 January 2024	2,240	2,562	4,802
Cash flows			
Movement in loan stock borrowings	-	-	-
Non cash flow borrowings			
Effective interest on loan stock balances	-	266	266
Movement in ageing profile of other financial liabilities	-	-	-
At 31 December 2024	2,240	2,828	5,068

30. Movements in financing liabilities arising from financing activities (continued)

Parent Entity	Convertible unsecured loan stock £'000	Non-convertible unsecured loan stock £'000	Total £'000
At 1 January 2025	-	8,338	8,338
Cash flows			
Movement in loan stock borrowings	-	-	-
Non cash flow borrowings			
Effective interest on loan stock balances	-	56	56
Loan stock forgiven	-	(1,000)	(1,000)
At 31 December 2025	-	7,394	7,394

Parent Entity	Convertible unsecured loan stock £'000	Non-convertible unsecured loan stock £'000	Total £'000
At 1 January 2024	-	8,073	8,073
Cash flows			
Movement in loan stock borrowings	-	-	-
Non cash flow borrowings			
Effective interest on loan stock balances	-	265	265
At 31 December 2024	-	8,338	8,338