

COMPANY REGISTRATION NUMBER: SC068924

Sundial Properties Limited
Unaudited Financial Statements
For the year ended
31 December 2022

Sundial Properties Limited

Financial Statements

Year ended 31 December 2022

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Sundial Properties Limited

Officers and Professional Advisers

The Board of Directors

W J Gray Muir
A J Walker
C S Gray Muir
D C Coombs
G J Willis (Resigned 25 February 2022)

Company Secretary

D C Coombs

Registered Office

46 Charlotte Square
Edinburgh
EH2 4HQ

Accountants

CT
Chartered Accountants
61 Dublin Street
Edinburgh
EH3 6NL

Bankers

Bank of Scotland
300 Lawnmarket
Edinburgh
EH1 2PH

Solicitors

Anderson Strathern LLP
1 Rutland Court
Edinburgh
EH3 8EY

Sundial Properties Limited

Directors' Report

Year ended 31 December 2022

The directors present their report and the unaudited financial statements of the company for the year ended 31 December 2022 .

Principal activities

The principal activities of the company during the year were property investment, property rental and construction services with a particular emphasis on the redevelopment of historic buildings.

Directors

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

W J Gray Muir

A J Walker

C S Gray Muir

D C Coombs

G J Willis (Resigned 25 February 2022)

Directors' responsibilities statement

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing those 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;
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

Small company provisions

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

This report was approved by the board of directors on 21 July 2023 and signed on behalf of the board by:

W J Gray Muir

Director

Sundial Properties Limited

Chartered Accountants Report to the Board of Directors on the Preparation of the Unaudited Statutory Financial Statements of Sundial Properties Limited

Year ended 31 December 2022

In order to assist you to fulfil your duties under the Companies Act 2006, we have prepared for your approval the financial statements of Sundial Properties Limited for the year ended 31 December 2022, which comprise the statement of income and retained earnings, statement of financial position and the related notes from the company's accounting records and from information and explanations you have given us. As a practising member firm of ICAS, we are subject to its ethical and other professional requirements which are detailed at www.icas.com/accountspreparationguidance. This report is made solely to the Board of Directors of Sundial Properties Limited, as a body, in accordance with the terms of our engagement letter dated 14 February 2019. Our work has been undertaken solely to prepare for your approval the financial statements of Sundial Properties Limited and state those matters that we have agreed to state to you, as a body, in this report in accordance with the requirements of ICAS as detailed at www.icas.com/accountspreparationguidance. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than Sundial Properties Limited and its Board of Directors, as a body, for our work or for this report.

It is your duty to ensure that Sundial Properties Limited has kept adequate accounting records and to prepare statutory financial statements that give a true and fair view of the assets, liabilities, financial position and loss of Sundial Properties Limited. You consider that Sundial Properties Limited is exempt from the statutory audit requirement for the year. We have not been instructed to carry out an audit or a review of the financial statements of Sundial Properties Limited. For this reason, we have not verified the accuracy or completeness of the accounting records or information and explanations you have given to us and we do not, therefore, express any opinion on the statutory financial statements.

CT Chartered Accountants

61 Dublin Street Edinburgh EH3 6NL

21 July 2023

Sundial Properties Limited
Statement of Income and Retained Earnings
Year ended 31 December 2022

		2022	2021
	Note	£	£
Turnover		1,775,261	9,549,481
Cost of sales		1,688,240	9,350,595
Gross profit		87,021	198,886
Administrative expenses		684,607	(88,086)
Other operating income		38,310	898,961
Operating (loss)/profit		(559,276)	1,185,933
Income from participating interests		—	450,000
Other interest receivable and similar income		62,275	70,614
Interest payable and similar expenses		56,383	373,097
(Loss)/profit before taxation	5	(553,384)	1,333,450
Tax on (loss)/profit		—	—
(Loss)/profit for the financial year and total comprehensive income		(553,384)	1,333,450
Retained losses at the start of the year		(2,753,698)	(4,087,148)
Retained losses at the end of the year		(3,307,082)	(2,753,698)

All the activities of the company are from continuing operations.

Sundial Properties Limited

Statement of Financial Position

31 December 2022

		2022	2021
	Note	£	£
Fixed assets			
Tangible assets	6	730,020	709,253
Investments	7	117,443	117,420
		<u>847,463</u>	<u>826,673</u>
Current assets			
Stocks	8	1,144,471	1,149,243
Debtors	9	3,009,310	3,461,598
Cash at bank and in hand		64,448	1,749,449
		<u>4,218,229</u>	<u>6,360,290</u>
Creditors: amounts falling due within one year	10	<u>4,489,483</u>	<u>6,066,494</u>
Net current (liabilities)/assets		<u>(271,254)</u>	<u>293,796</u>
Total assets less current liabilities		576,209	1,120,469
Creditors: amounts falling due after more than one year	11	<u>48,291</u>	<u>39,167</u>
Net assets		<u>527,918</u>	<u>1,081,302</u>
Capital and reserves			
Called up share capital	12	35,380	35,380
Share premium account		3,799,620	3,799,620
Profit and loss account		(3,307,082)	(2,753,698)
Shareholders funds		<u>527,918</u>	<u>1,081,302</u>

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies' regime and in accordance with Section 1A of FRS 102 'The Financial Reporting Standard applicable in the UK and Republic of Ireland'.

For the year ending 31 December 2022 the company was entitled to exemption from audit under section 477 of the Companies Act 2006 relating to small companies.

Directors' responsibilities:

- The members have not required the company to obtain an audit of its financial statements for the year in question in accordance with section 476 ;
- The directors acknowledge their responsibilities for complying with the requirements of the Act with respect to accounting records and the preparation of financial statements .

These financial statements were approved by the board of directors and authorised for issue on 21 July 2023 , and are signed on behalf of the board by:

W J Gray Muir

Director

Company registration number: SC068924

Sundial Properties Limited

Notes to the Financial Statements

Year ended 31 December 2022

1. General information

Sundial Properties Limited is a private company limited by shares that is incorporated and domiciled in Scotland with registered company number SC068924 . The registered office is 46 Charlotte Square, Edinburgh, EH2 4HQ.

2. Statement of compliance

These financial statements have been prepared in compliance with Section 1A of FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland'.

3. Accounting policies

Basis of preparation

The financial statements have been prepared on the historical cost basis, as modified by the revaluation of investment properties measured at fair value through profit or loss. The financial statements are prepared in sterling (£), which is the functional currency of the entity.

Consolidation

The entity has taken advantage of the option not to prepare consolidated financial statements contained in Section 398 of the Companies Act 2006 on the basis that the entity and its subsidiary undertakings comprise a small group.

Judgements and key sources of estimation uncertainty

Estimates and judgements are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The company makes estimates and assumptions concerning the future. The resulting accounting estimates will, by definition, seldom equal the related actual results. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below: Useful economic lives of tangible assets The annual depreciation charge for tangible assets is sensitive to changes in the estimated useful economic lives and residual values of the assets. The useful economic lives and residual values are re-assessed annually. They are amended when necessary to reflect current estimates, based on technological advancement, future investments, economic utilisation and the physical condition of the assets. See the Tangible Assets note for carrying amounts of tangible assets.

Revenue recognition

Revenue arises from the sale of properties and from the provision of construction services. Revenue is measured at the fair value of the consideration received or receivable and represents amounts for the sale of properties in the normal course of business, net of discounts and other sales related taxes. Revenue is recorded in the financial statements in connection with both property sales and the provision of construction services when a legally binding contract for service has been entered into and when the following conditions are satisfied: - the amount of revenue can be measured reliably; - it is probable that economic benefits associated with the transaction will flow to the entity; and - the costs incurred or to be incurred in respect of the transaction can be measured reliably.

Taxation

Tax expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of the tax rates and laws that have been enacted or substantively enacted as at the reporting date. Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements. Deferred tax is measured using the rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense. Deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted. Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

Tangible assets

Tangible assets are initially recorded at cost, and subsequently stated at cost less any accumulated depreciation and impairment losses. Any tangible assets carried at revalued amounts are recorded at the fair value at the date of revaluation less any subsequent accumulated depreciation and subsequent accumulated impairment losses. An increase in the carrying amount of an asset as a result of a revaluation, is recognised in other comprehensive income and accumulated in equity, except to the extent it reverses a revaluation decrease of the same asset previously recognised in profit or loss. A decrease in the carrying amount of an asset as a result of revaluation, is recognised in other comprehensive income to the extent of any previously recognised revaluation increase accumulated in equity in respect of that asset. Where a revaluation decrease exceeds the accumulated revaluation gains accumulated in equity in respect of that asset, the excess shall be recognised in profit or loss.

Depreciation

Depreciation is calculated so as to write off the cost or valuation of an asset, less its residual value, over the useful economic life of that asset as follows:

Plant & Machinery	-	20% Straight line
Fixtures & Fittings	-	33 1/3% Straight line
Motor Vehicles	-	33 1/3% to 20% Straight line

Financial Reporting Standard (FRS) 102 requires all assets to be depreciated over their estimated economic life, taking account of any residual value of the assets. Heritable properties are considered to have a high residual value, and a useful economic life in excess of 50 years. The depreciation charge is immaterial and no charge has therefore been made. Where no charge for depreciation is made and where the useful economic life exceeds 50 years an impairment review under FRS 102 should be carried out on an annual basis. Such a review has been performed and this shows that the value of the properties exceeds the carrying value in the financial statements.

Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Impairment of fixed assets

A review for indicators of impairment is carried out at each reporting date, with the recoverable amount being estimated where such indicators exist. Where the carrying value exceeds the recoverable amount, the asset is impaired accordingly. Prior impairments are also reviewed for possible reversal at each reporting date.

Stocks

Work in progress is represented by property regarded as trading stock and is valued at the lower of cost and net realisable value. Transfers from investment properties to work in progress are carried out at market value at the date of transfer.

Finance leases and hire purchase contracts

Assets held under finance leases and hire purchase contracts are recognised in the statement of financial position as assets and liabilities at the lower of the fair value of the assets and the present value of the minimum lease payments, which is determined at the inception of the lease term. Any initial direct costs of the lease are added to the amount recognised as an asset. Lease payments are apportioned between the finance charges and reduction of the outstanding lease liability using the effective interest method. Finance charges are allocated to each period so as to produce a constant rate of interest on the remaining balance of the liability.

Government grants

Government grants are recognised at the fair value of the asset received or receivable. Grants are not recognised until there is reasonable assurance that the company will comply with the conditions attaching to them and the grants will be received. Government grants are recognised using the accrual model. Under the accrual model, government grants relating to revenue are recognised on a systematic basis over the periods in which the company recognises the related costs for which the grant is intended to compensate. Grants that are receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the entity with no future related costs are recognised in income in the period in which it becomes receivable.

Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument. Basic financial instruments, which include trade and other debtors and cash and bank balances, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future receipts discounted at a market rate of interest for a similar debt instrument. Debt instruments are subsequently measured at amortised cost. Basic financial liabilities, which include trade and other creditors, are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately. For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

Defined contribution plans

The company makes contributions to defined contribution pension schemes on behalf of certain employees. Contributions are charged to the profit and loss account in the period to which they relate.

Operating leases

Rentals applicable to operating leases where substantially all of the benefits and risks of ownership remain with the lessor are charged against profits on a straight line basis over the period of the lease.

4. Employee numbers

The average number of persons employed by the company during the year amounted to 11 (2021: 12).

5. Profit before taxation

Profit before taxation is stated after charging:

	2022	2021
	£	£
Depreciation of tangible assets	6,063	1,599

6. Tangible assets

	Investment property £	Plant and machinery £	Fixtures and fittings £	Motor vehicles £	Total £
Cost or valuation					
At 1 January 2022	707,930	16,011	227,619	12,692	964,252
Additions	—	1,273	—	25,557	26,830
Disposals	—	(9,450)	—	(12,692)	(22,142)
At 31 December 2022	707,930	7,834	227,619	25,557	968,940
Depreciation					
At 1 January 2022	—	15,844	226,463	12,692	254,999
Charge for the year	—	422	530	5,111	6,063
Disposals	—	(9,450)	—	(12,692)	(22,142)
At 31 December 2022	—	6,816	226,993	5,111	238,920
Carrying amount					
At 31 December 2022	707,930	1,018	626	20,446	730,020
At 31 December 2021	707,930	167	1,156	—	709,253

Investment properties are included at cost and comprise land and architect fees. The directors are satisfied that as at the year end date there had been no material movement in the value of the investment properties since the date of acquisition.

7. Investments

	Shares in group undertakings £	Shares in participating interests £	Fine art £	Total £
Cost				
At 1 January 2022	3,235	—	117,335	120,570
Additions	—	30	—	30
Disposals	(7)	—	—	(7)
At 31 December 2022	3,228	30	117,335	120,593
Impairment				
At 1 January 2022 and 31 December 2022	3,150	—	—	3,150
Carrying amount				
At 31 December 2022	78	30	117,335	117,443
At 31 December 2021	85	—	117,335	117,420

8. Stocks

	2022 £	2021 £
Work in progress	1,144,471	1,149,243

9. Debtors

	2022	2021
	£	£
Trade debtors	127,025	225,434
Amounts owed by group undertakings and undertakings in which the company has a participating interest	2,795,294	3,126,677
Other debtors	86,991	109,487
	<u>3,009,310</u>	<u>3,461,598</u>

10. Creditors: amounts falling due within one year

	2022	2021
	£	£
Trade creditors	93,154	126,517
Amounts owed to group undertakings and undertakings in which the company has a participating interest	2,000,800	1,999,877
Social security and other taxes	21,230	1,121,807
Other loans	1,887,473	1,897,072
Convertible loan stock	—	225,000
Other creditors	486,826	696,221
	<u>4,489,483</u>	<u>6,066,494</u>

11. Creditors: amounts falling due after more than one year

	2022	2021
	£	£
Bank loans and overdrafts	29,167	39,167
Other creditors	19,124	—
	<u>48,291</u>	<u>39,167</u>

12. Called up share capital

Issued, called up and fully paid

	2022		2021	
	No.	£	No.	£
Ordinary shares of £ 1 each	35,000	35,000	35,000	35,000
Ordinary Class B shares of £ 1 each	380	380	380	380
	<u>35,380</u>	<u>35,380</u>	<u>35,380</u>	<u>35,380</u>

13. Operating leases

The total future minimum lease payments under non-cancellable operating leases are as follows:

	2022	2021
	£	£
Not later than 1 year	45,919	45,853
Later than 1 year and not later than 5 years	8,032	3,015
	-----	-----
	53,951	48,868
	-----	-----

14. Directors' advances, credits and guarantees

During the year there were no advances, credits or guarantees made in favour of the directors (2021:none). Included within other creditors are loans due to directors of £283,956 (2020: £448,010). The loans are for no fixed period, interest is charged at rates between 8.5% and 9.5%.

15. Related party transactions

The company has taken advantage of exemption under FRS 102 Section 1A from the requirement to disclose information with entities that are wholly owned in the group. Fox Edinburgh Limited, a company of which W J Gray Muir and C S Gray Muir are directors continued to provide a loan to the company. At the year end the balance due to Fox Edinburgh Limited was £437,000 (2021: £437,000). Interest was charged on this loan at 3% per annum. During the year the company charged Fox Edinburgh Limited rent of £13,110 (2021: £9,832) on normal commercial terms. The amount outstanding at the year end was £nil (2021: £nil). During the year the company received various loan advances and paid various loan repayments to RW Leith Limited, a subsidiary undertaking. The amount of loan due to RW Leith Limited outstanding at the year end was £1,746,468 (2021: £1,746,468). In addition, during the year the company received dividends from RW Leith of £nil (2021: £450,000). The dividends outstanding at the year end was £nil (2021: £nil). During the year the company was charged £1,114 (2021: £1,802) for architectural services of White Square Architecture and Design Limited, a company controlled by G J Willis, a former director of this company. The amount outstanding at the year end was £nil (2021: £nil). During the year the company received a payment on account of £40,903 (2021: £nil) from GIVB Limited, a company in which W J Gray Muir is a director and in which the company is a shareholder. In addition, various loan advances were made and received from GIVB Limited and at the year end there were amounts due from GIVB Limited of £213,411 (2021: £nil) and due to GIVB Limited of £930 (2021: £nil).

16. Controlling party

The ultimate parent undertaking is Sundial Holdings Limited, a company incorporated in Scotland.

17. Going concern

The directors consider the company to be a going concern and therefore the financial statements have been prepared on a going concern basis. The future operations of the company are dependent on the continued financial support of the company's bankers and transaction activity within property markets to provide liquidity to the company prospectively.

Material adverse changes could occur in the amount and timing of cash flows compared to management prepared projections which could cast significant doubt upon the company's ability to continue as a going concern. Nevertheless after making enquiries, and considering the uncertainties described above, the directors have a reasonable expectation that the company has adequate resources to continue in operational existence for the foreseeable future. For these reasons, they continue to adopt the going concern basis in preparing the financial statements.

This document was delivered using electronic communications and authenticated in accordance with the registrar's rules relating to electronic form, authentication and manner of delivery under section 1072 of the Companies Act 2006.