

SUNDIAL HOLDINGS LIMITED
FILLETED UNAUDITED GROUP FINANCIAL STATEMENTS
For the year ended 31 December 2018



SUNDIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT of FINANCIAL POSITION

As at 31 December 2018

	Note	£	2018 £	£	2017 £
Fixed assets					
Tangible assets	5		3,990,229		4,221,069
Investments	6		237,336		237,336
			<hr/>		<hr/>
			4,227,565		4,458,405
Current assets					
Stock	8	9,894,170		9,331,072	
Debtors	9	168,526		514,263	
Cash at bank and in hand		1,203,397		917,579	
		<hr/>		<hr/>	
		11,266,093		10,762,914	
Creditors: Amounts falling due within one year	10	11,585,924		9,633,314	
		<hr/>		<hr/>	
Net current (liabilities)/assets			(319,831)		1,129,600
			<hr/>		<hr/>
Total assets less current liabilities			3,907,734		5,588,005
Creditors: Amounts falling due after more than one year	11		1,070,000		1,000,000
Provisions for liabilities:					
Deferred taxation	12		3,753		3,753
			<hr/>		<hr/>
Net assets			2,833,981		4,584,252
			<hr/>		<hr/>
Capital and reserves					
Called up equity share capital	14		107		107
Share premium account			105		105
Profit and loss account			(4,091,677)		(2,299,323)
Consolidation reserve			6,317,100		6,317,100
			<hr/>		<hr/>
Equity attributable to the owners of the parent company			2,225,635		4,017,989
Non-controlling interests	15		608,346		566,263
			<hr/>		<hr/>
			2,833,981		4,584,252
			<hr/>		<hr/>

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

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

The notes on pages 3 to 12 form part of these financial statements.

SUNDIAL HOLDINGS LIMITED

CONSOLIDATED STATEMENT of FINANCIAL POSITION *(continued)*

As at 31 December 2018

For the year ending 31 December 2018 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 ~~30 Sep 2019~~, and are signed on behalf of the board by:



W J Gray Muir
(Director)

Company Registration Number – SC336540

SUNDIAL HOLDINGS LIMITED**COMPANY STATEMENT of FINANCIAL POSITION****As at 31 December 2018**

	Note	2018 £	2017 £
Fixed assets			
Investments	7	212	212
Current assets			
Debtors	9	662,762	765,606
Total assets less current liabilities		662,974	765,818
Net assets		662,974	765,818
Capital and reserves			
Called up share capital	14	107	107
Share premium account		105	105
Profit and loss account		662,762	765,606
Shareholders' funds		662,974	765,818

The comprehensive income for the year of the parent company was £nil (2017: £765,606).

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

In accordance with section 444 of the Companies Act 2006, the statement of comprehensive income has not been delivered.

For the year ending 31 December 2018 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 30 Sep 2019, and are signed on behalf of the board by:


W J Gray Muir
(Director)

Company Registration Number – SC336540

The notes on pages 11 to 23 form part of these financial statements.

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS

For the year ended 31 December 2018

1. General information

Sundial Holdings Limited is a private company limited by shares that is incorporated and domiciled in Scotland with registered company number SC336540. 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

These financial statements have been prepared in accordance with the historical cost as modified by the revaluation of certain financial assets and liabilities and investment properties measured at fair value through profit or loss.

The financial statements have been presented in sterling (£), which is the functional currency of the entity.

Going concern

The financial statements have been prepared on a going concern basis. The directors have assessed the company and the group's ability to continue as a going concern and have reasonable expectation, as detailed in note 16, that the company and the group have adequate resources to continue in operational existence for the foreseeable future. Thus, they continue to adopt the going concern basis of accounting in preparing the financial statements.

Basis of consolidation

The consolidated financial statements incorporate the financial statements of the company Sundial Holdings Limited for the year ended 31 December 2018 and of its subsidiary companies for the same period. The profits and losses of subsidiary undertakings are consolidated from the date of acquisition to the date of disposal. The difference between the cost of acquisition and the fair value of the separable net assets acquired is amortised through the profit and loss account in equal instalments over its estimated useful life.

The company has taken advantage of the exemptions under section 408 of the Companies Act 2006 not to prepare an individual profit and loss account for the parent company. The profit for the year dealt with in the financial statements of the company was £nil (2017: £765,606).

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.

i) 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 note 11 for carrying amounts of tangible assets.

ii) Valuation of investment properties

The valuation of investment properties held is sensitive both to market movements and risks associated with individual properties. The directors use their professional knowledge and experience of the property market to reassess the valuations on an annual basis. Where necessary the valuations are amended to reflect the current estimates of their values.

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

3. Accounting policies *(continued)*

Judgements and key sources of estimation uncertainty *(continued)*

iii) Impairment of work in progress

Determining whether work in progress is impaired requires an estimation of the future costs and income associated with each development. The directors use their expertise and knowledge of both the property market and the individual property developments to assess the future cash flows expected to arise from each development in order to assess whether any potential impairment of work in progress exists at the year end

Revenue recognition

Revenue arises from the sale of properties, from the provision of construction services and from property rental income. 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 property sales 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.

Revenue from the rendering of services is measured by reference to the stage of completion of the service transaction at the end of the reporting period provided that the outcome can be reliably estimated. When the outcome cannot be reliably estimated, revenue is recognised only to the extent that expenses recognised are recoverable.

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 income 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.

Tangible fixed 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.

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

3. Accounting policies *(continued)*

Tangible fixed assets *(continued)*

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 estimated 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.

Investment properties

Certain of the company's properties are held for long-term investment. Investment properties are accounted for as follows:

- Investment properties are initially recognised at cost which includes purchase cost and any directly attributable expenditure.
- Investment properties whose fair value can be measured reliably are measured at fair value. The surplus or deficit arising on revaluation is recognised in the profit and loss account accumulated in the profit and loss reserve unless a deficit below original cost, or its reversal, on an individual investment property is expected to be permanent, in which case it is recognised in the profit and loss account for the year.

Investments

Investments are valued at cost less provision for permanent diminution in value.

Work in progress

Work in progress is valued on the basis of direct costs plus attributable overheads based on normal level of activity. Provision is made for any foreseeable losses where appropriate. No element of profit is included in the valuation of work in progress.

Operating lease agreements

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.

Pension costs

The group operates a defined contribution pension scheme for employees. The assets of the scheme are held separately from those of the group. The annual contributions payable are charged to the profit and loss account.

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

3. Accounting policies *(continued)*

Debtors and creditors receivable / payable within one year

Debtors and creditors with no stated interest rate and receivable or payable within one year are recorded at transaction price. Any losses arising from impairment are recognised in the profit and loss account in other administrative expenses.

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 receivables 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.

Basic financial liabilities, which include trade and other payables, 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.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised through profit or loss.

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.

4. Particulars of employees

The average number of staff employed by the group during the financial period amounted to 38 (2017: 44).

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

5. Tangible fixed assets (Group)

	Investment Property £	Plant & Machinery £	Fixtures & Fittings £	Motor Vehicles £	Heritable Property £	Total £
Cost or valuation						
At 1 Jan 2018	2,125,167	21,886	241,424	12,692	2,452,486	4,853,655
Additions	164,610	838	46,506	-	-	211,954
Disposals	-	(3,056)	-	-	(151,298)	(154,354)
At 31 Dec 2018	2,289,777	19,668	287,930	12,692	2,301,188	4,911,255
Depreciation						
At 1 Jan 2018	358,979	20,331	240,584	12,692	-	632,586
Charge for the year	-	929	9,823	-	-	10,752
On disposals	-	(3,056)	-	-	-	(3,056)
Impairment	160,728	-	-	-	-	160,728
At 31 Dec 2018	519,707	18,204	250,407	12,692	-	801,010
Net book value						
At 31 Dec 2018	1,770,070	1,464	37,523	-	2,301,188	4,110,245
At 31 Dec 2017	1,766,188	1,555	840	-	2,452,486	4,221,069

The original cost of the investment properties and heritable properties noted above at valuation is £2,289,777 (2017: £2,125,167) and £2,301,188 (2017: £2,452,486).

The directors have considered the value of the investment and heritable properties as at 31 December 2018 based upon their experience and knowledge of the property markets and have revalued the individual properties accordingly in line with their opinion of the current values.

6. Investments (Group)

	Joint ventures £	Fine art £	Total £
Cost			
At 1 Jan 2018	1	237,335	237,336
Additions	-	-	-
At 31 Dec 2018	1	237,335	237,336
Amounts written off			
At 1 Jan 2018 and at 31 Dec 2018	-	-	-
Net book value			
At 31 December 2018	1	237,335	237,336
At 31 December 2017	1	237,335	237,336

SUNDIAL HOLDINGS LIMITED**NOTES to the FINANCIAL STATEMENTS** *(continued)***For the year ended 31 December 2018****7. Investments (Company)**

	2018	2017
	£	£
Cost – Shares in group undertakings		
At 1 January 2018 and 31 December 2018	<u>212</u>	<u>212</u>
Net book value		
At 31 December 2018	<u>212</u>	<u>212</u>

The company owns 100% of the issued share capital of Sundial Holdings (Gilmerton) Limited, a company registered in Scotland and whose principal activity is that of a holding company.

Sundial Holdings (Gilmerton) Limited owns 98.9% of the issued share capital of Sundial Properties Limited, a property investment and development company and 100% of Sundial CS Limited, a property rental company. All of these companies are registered in Scotland. Sundial Launderettes Limited was dissolved on 9 January 2018.

Sundial Properties Limited owns 100% of the issued share capital of Sundial (Drumsheugh) Limited, a property investment company and owns 100% of the issued share capital of Yor Limited, a property development company. Yor Limited owns 50% of the issued share capital in Sundial Dundas Limited, a property development company. In addition, Sundial Properties Limited owns 75% of RW Leith Limited, a property development company. During the year, Sundial Properties Limited acquired 100% of the issued share capital of ARC18 Limited, SUB18 Ltd and DRUM 18 Limited, all property development companies. All of these companies are registered in Scotland.

Aggregate capital and reserves

	2018	2017
	£	£
Sundial Holdings (Gilmerton) Limited	212	212
Sundial Properties Limited	(1,971,363)	262,287
Sundial Drumsheugh Limited	(957,990)	(807,280)
Sundial CS Limited	18,735	20,898
RW Leith Limited	2,431,862	2,263,529
Yor Limited	5,907,066	5,063,526
Sundial Dundas Limited	2	2
ARC18 Limited	2	-
SUB18 Ltd	6	-
DRUM 18 Limited	<u>(657,995)</u>	<u>-</u>

Profit and (loss) for the year

	2018	2017
	£	£
Sundial Holdings (Gilmerton) Limited	-	765,606
Sundial Properties Ltd	(2,233,650)	(439,764)
Sundial Drumsheugh Limited	(150,709)	(357,629)
Sundial CS Limited	(2,163)	780
RW Leith Limited	168,333	172,882
Yor Limited	843,540	2,548,291
Sundial Dundas Limited	-	-
ARC18 Limited	-	-
SUB18 Ltd	-	-
DRUM 18 Limited	<u>(658,997)</u>	<u>-</u>

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

8. Stocks

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Work in progress	<u>9,894,171</u>	<u>-</u>	<u>9,331,072</u>	<u>-</u>

An impairment loss of £657,997 was recognised in cost of sales during the period due to changes in the property market.

9. Debtors

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Trade debtors	2,470	-	4,896	-
Amounts owed by related undertakings	-	662,762	-	765,606
Other debtors	166,056	-	509,367	-
	<u>168,526</u>	<u>662,762</u>	<u>514,263</u>	<u>765,606</u>

10. Creditors: Amounts falling due within one year

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Bank loans and overdrafts	5,348,418	-	5,982,550	-
Other loans	2,058,417	-	2,446,354	-
Convertible loan notes	1,000,000	-	-	-
Trade creditors	255,917	-	244,647	-
Corporation tax	4,223	-	66	-
Taxation and social security	76,939	-	76,100	-
Other creditors	2,842,010	-	883,597	-
	<u>11,585,924</u>	<u>-</u>	<u>9,633,314</u>	<u>-</u>

The following liabilities disclosed under creditors falling due within one year are secured by the company:

	2018	2017
	£	£
Bank loans and overdrafts	5,348,418	5,982,550
Convertible loan notes	<u>1,000,000</u>	<u>-</u>

The bank overdrafts and loans are secured by standard securities over specific properties. Interest is charged on specific loans at base rate plus 1.5%, LIBOR plus 1.5%, LIBOR plus 2.9% and LIBOR plus 4.5%.

The other loans are repayable within twelve months and pay interest at rates between 7.5% and 9.5%.

The company's bankers hold a legal charge over a group company's development property and a bond and floating charge over a group company's assets

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

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

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Bank loans and overdrafts	1,070,000	-	-	-
Convertible loan notes	-	-	1,000,000	-
	<u>1,070,000</u>	<u>-</u>	<u>1,000,000</u>	<u>-</u>

The following liabilities disclosed under creditors falling due after more than one year are secured by the company:

	2018	2017
	£	£
Bank loans and overdrafts	<u>1,070,000</u>	<u>-</u>

The following aggregate liabilities disclosed under creditors falling due after more than one year are due for repayment within five years from the balance sheet date:

	2018	2017
	£	£
Convertible loan notes	<u>-</u>	<u>1,000,000</u>

The convertible loan notes carry an interest rate of 10.55% and are fully repayable on 31 January 2019.

12. Deferred taxation

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
The deferred tax included in the balance sheet is as follows:				
Provision for deferred tax	<u>3,753</u>	<u>-</u>	<u>3,753</u>	<u>-</u>

The balance of the deferred taxation account consists of the tax effect of timing differences in respect of:

	2018		2017	
	Group	Company	Group	Company
	£	£	£	£
Excess of taxation allowances over depreciation on fixed assets	<u>3,753</u>	<u>-</u>	<u>3,753</u>	<u>-</u>

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

13. Related party transactions and ultimate controlling party

The company was under the control of W J Gray Muir throughout the year.

At the end of the year, the group owed the following amounts to directors of companies within the group

	2018	2017
	£	£
C S Gray Muir	350,000	350,000
W J Gray Muir	13,406	30,839
	<u>363,406</u>	<u>380,839</u>

Interest on the above loans was paid at commercial rates.

A Gray Muir and W J Gray Muir provided personal guarantees for up to £660,000 (2017: £660,000) of sums due to the Royal Bank of Scotland Plc.

W J Gray Muir has provided a personal guarantee to the sum of £900,000 and a cost overrun guarantee as security in relation to sums due to Close Brothers Property Finance and a personal guarantee of £300,000 for sums due to Svenska Handelsbanken AB.

During the year Muir Gilmerton Limited, a company of which A Gray Muir is a director, advanced and were repaid various loans. Loans of £626,285 (2017: £502,525) remained outstanding at the year end. Interest was paid on the loans at a commercial rate.

During the year, the group received various loan advances from Fox Edinburgh Limited, a company whose director is W J Gray Muir. At the year end, £437,000 (2017: £437,000) was due to Fox Edinburgh Limited.

At the year end there was an amount receivable of £39,485 (2017: £41,213) from RW Leith Limited, a subsidiary, in respect of group relief. W J Gray Muir is a director of RW Leith Limited. In addition, the group also received various loan advances from RW Leith Limited. The amount outstanding at the year end due to RW Leith Limited was £2,466,756 (2017: £2,240,075). RW Leith Limited also charged the group interest of £207,898 (2017: £214,205) on net intercompany loans. The amount outstanding at the year end was £Nil.

At the year end, £1,000,000 (2017: £1,000,000) was due from the group to Octant Investments Limited, a company whose director is W J Gray Muir's sister. Interest was paid at a rate of 10.55%.

An aggregate amount of £70,341 (2017: £58,396) was due at the year end from the group to two trusts set up by A Gray Muir for various family members.

14. Share capital

	2018	2017
	£	£
Allotted, called up and fully paid:		
107 Ordinary shares of £1 each	<u>107</u>	<u>107</u>

Ordinary shareholders shall have one vote for each Ordinary share held by them.

SUNDIAL HOLDINGS LIMITED

NOTES to the FINANCIAL STATEMENTS *(continued)*

For the year ended 31 December 2018

15. Minority interest

Included in the share capital of Sundial Properties Limited (formerly Sundial Properties (Gilmerton) Limited) is 380 ordinary B £1 shares which have the following rights:

The Ordinary Class B shares carry no entitlement to dividends. The shares also carry no entitlement to capital distributions until 1 January 2026 when both the Ordinary and Ordinary Class B shareholders are entitled to share equally in any capital distribution. The Ordinary Class B shares also carry no voting entitlement.

RW Leith Limited has 100 ordinary class A shares of £1 each in issue. 25% of these shares are held outwith the group. The class A ordinary shares carry entitlement to dividends and voting rights.

16. Going concern

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