

Green Highland Renewables Ltd

Financial Statements


Year Ended

30 September 2017

Company Number SC315779

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Green Highland Renewables Limited

Company Information

Directors	A Reading I Cartwright D Whyte D Owens S Hutt
Registered number	SC315779
Registered office	CEF Building Inveralmond Road Inveralmond Industrial Estate Perth PH1 3TW
Independent auditor	BDO LLP Citypoint 65 Haymarket Terrace Edinburgh EH12 5HD
Bankers	Bank of Scotland 10 King Edward Street Perth PH1 5UT
Solicitors	Shepherd and Wedderburn LLP 5th Floor 1 Exchange Crescent Edinburgh EH3 8UL

Green Highland Renewables Limited
Registered number: SC315779

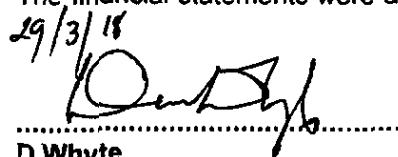
Balance sheet
As at 30 September 2017

	Note	2017 £	2016 £
Fixed assets			
Tangible assets	4	30,638	26,065
Investments	5	2,941	2,941
		<u>33,579</u>	<u>29,006</u>
Current assets			
Work in progress	6	615,225	275,912
Debtors: amounts falling due after more than one year	7	17,841,910	73,165,410
Debtors: amounts falling due within one year	7	5,500,196	1,260,432
Cash at bank and in hand	8	485,434	8,504,448
		<u>24,442,765</u>	<u>83,206,202</u>
Creditors: amounts falling due within one year	9	(5,284,762)	(3,414,370)
Net current assets		<u>19,158,003</u>	<u>79,791,832</u>
Total assets less current liabilities		<u>19,191,582</u>	<u>79,820,838</u>
Creditors: amounts falling due after more than one year	10	(3,635,500)	(32,108,720)
Net assets		<u><u>15,556,082</u></u>	<u><u>47,712,118</u></u>
Capital and reserves			
Called up share capital	12	15,338	15,338
Profit and loss account	13	15,540,744	47,696,780
		<u><u>15,556,082</u></u>	<u><u>47,712,118</u></u>

The company's financial statements have been prepared and delivered in accordance with the provisions applicable to companies subject to the small companies' regime.

The company has opted not to file the statement of comprehensive income in accordance with provisions applicable to companies subject to the small companies' regime.

The financial statements were approved and authorised for issue by the board and were signed on its behalf on

29/3/18


D Whyte
 Director

The notes on pages 3 to 16 form part of these financial statements.

Green Highland Renewables Limited

**Statement of changes in equity
For the year ended 30 September 2017**

	Called up share capital £	Profit and loss account £	Total equity £
At 1 October 2016	15,338	47,696,780	47,712,118
Comprehensive income for the year			
Profit for the year	-	1,744,744	1,744,744
Total comprehensive income for the year	-	1,744,744	1,744,744
Dividends paid	-	(33,900,780)	(33,900,780)
At 30 September 2017	15,338	15,540,744	15,556,082

**Statement of changes in equity
For the year ended 30 September 2016**

	Called up share capital £	Share premium account £	Profit and loss account £	Total equity £
At 1 October 2015	15,338	3,966,149	(2,328,470)	1,653,017
Comprehensive income for the year				
Profit for the year	-	-	46,059,101	46,059,101
Total comprehensive income for the year	-	-	46,059,101	46,059,101
Cancellation of share premium	-	-	3,966,149	3,966,149
Cancellation of share premium	-	(3,966,149)	-	(3,966,149)
At 30 September 2016	15,338	-	47,696,780	47,712,118

The notes on pages 3 to 16 form part of these financial statements.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

1. Accounting policies

1.1 Basis of preparation of financial statements

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standards 102 Section 1A Small Entities.

The preparation of financial statements in compliance with FRS 102 requires the use of certain critical accounting estimates. It also requires management to exercise judgement in applying the company's accounting policies (see note 3).

1.2 Consolidated financial statements

The company is exempt under section 402 of the Companies Act 2006 from the requirement to prepare consolidated financial statements because the directors consider that the company's subsidiaries may be excluded from the consolidation as the group meets the criteria for that of a small group. These financial statements therefore present information about the company as an individual undertaking and not about its group.

1.3 Going concern

The company made a profit during the period of £1,744,744 (2016 - £46,059,101) and at the balance sheet date had net assets of £15,556,082 (2016 - £47,712,118).

On 4 December 2017, the directors of the parent company announced that an unconditional agreement had been agreed by the ultimate controlling party, Ancala Renewables LP, to sell its shareholding to SIMEC, part of the GFG Alliance. At the time of approving the financial statements, the timetable for the sale of the group had not yet completed.

The directors have assessed the projected performance and cash flows of the company, based on its operating model. The company has significant intercompany liabilities at the balance sheet date and is dependent upon the support of the group and the group's bank facilities, which expire on change of ownership. A letter of support has been obtained from the current ultimate controlling party confirming continued financial support and continuity of funding, should the transaction to sell the group not complete. However, the current directors do not have written assurance at present over the ongoing availability of adequate funding should the transaction complete as planned.

These conditions indicate the existence of a material uncertainty which may cast doubt over the company's ability to continue as a going concern. Based upon discussions with the prospective purchaser, the directors are confident that there will be sufficient funding made available to the company, should the deal complete as planned and are therefore satisfied that the going concern basis of preparation continues to be appropriate.

The financial statements do not include any adjustments that would be required if the company was unable to continue as a going concern.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

1. Accounting policies (continued)

1.4 Revenue

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the company and the revenue can be reliably measured. Revenue is measured as the fair value of the consideration received or receivable, excluding discounts, rebates, value added tax and other sales taxes. The following criteria must also be met before revenue is recognised:

Rendering of services

Revenue from contracts to provide services for project management, administration, performance and maintenance of special purpose vehicles is recognised in the period in which the services are provided in accordance with the stage of completion of the contract when all of the following conditions are satisfied:

- the amount of revenue can be measured reliably;
- it is probable that the company will receive the consideration due under the contract;
- the stage of completion of the contract at the end of the reporting period can be measured reliably; and
- the costs incurred and the costs to complete the contract can be measured reliably.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

1. Accounting policies (continued)

1.5 Tangible fixed assets

Tangible fixed assets under the cost model are stated at historical cost less accumulated depreciation and any accumulated impairment losses. Historical cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Depreciation is provided on the following basis:

Plant and machinery	-	20% straight line
Motor vehicles	-	33% straight line
Fixtures and fittings	-	33% straight line

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted prospectively, if appropriate, or if there is an indication of a significant change since the last reporting date.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount and are recognised in the statement of comprehensive income.

1.6 Valuation of investments

Investments in subsidiaries are measured at cost less accumulated impairment.

1.7 Work in progress

Work in progress is stated at the lower of cost and net realisable value, being the estimated selling price less costs to complete and sell. Cost is based on the cost of purchase on a first in, first out basis. Work in progress includes labour and attributable overheads.

At each balance sheet date, work in progress is assessed for impairment. If work in progress is impaired, the carrying amount is reduced to its selling price less costs to complete and sell. The impairment loss is recognised immediately in profit or loss.

1.8 Debtors

Short term debtors are measured at transaction price, less any impairment.

1.9 Cash and cash equivalents

Cash is represented by cash in hand and deposits with financial institutions repayable without penalty on notice of not more than 24 hours. Cash equivalents are highly liquid investments that mature in no more than three months from the date of acquisition and that are readily convertible to known amounts of cash with insignificant risk of change in value.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

1. Accounting policies (continued)

1.10 Financial instruments

The company only enters into basic financial instruments transactions that result in the recognition of financial assets and liabilities like trade and other debtors and creditors, loans from banks and other third parties, loans to related parties and investments in non-puttable ordinary shares.

Debt instruments (other than those wholly repayable or receivable within one year), including loans and other debtors and creditors, are initially measured at present value of the future cash flows and subsequently at amortised cost using the effective interest method. Debt instruments that are payable or receivable within one year, typically trade creditors or debtors, other creditors or debtors are measured, initially and subsequently, at the undiscounted amount of the cash or other consideration expected to be paid or received. However if the arrangements of a short-term instrument constitute a financing transaction, like the payment of a trade debt deferred beyond normal business terms or financed at a rate of interest that is not a market rate or in case of an outright short-term loan not at market rate, the financial asset or liability is measured, initially, at the present value of the future cash flow discounted at a market rate of interest for a similar debt instrument and subsequently at amortised cost.

Financial assets that are measured at cost and amortised cost are assessed at the end of each reporting period for objective evidence of impairment. If objective evidence of impairment is found, an impairment loss is recognised in the statement of comprehensive income.

Financial assets and liabilities are offset and the net amount reported in the balance sheet when there is an enforceable right to set off the recognised amounts and there is an intention to settle on a net basis or to realise the asset and settle the liability simultaneously.

1.11 Creditors

Short term creditors are measured at the transaction price. Other financial liabilities, including bank loans, are measured initially at fair value, net of transaction costs, and are measured subsequently at amortised cost using the effective interest method.

1.12 Dividends

Equity dividends are recognised when they become legally payable. Interim equity dividends are recognised when paid. Final equity dividends are recognised when approved by the shareholders at an annual general meeting.

1.13 Operating leases: the company as lessee

Rentals paid under operating leases are charged to the statement of comprehensive income on a straight line basis over the lease term.

1.14 Pensions

Defined contribution pension plan

The company operates a defined contribution plan for its employees. A defined contribution plan is a pension plan under which the company pays fixed contributions into a separate entity. Once the contributions have been paid the company has no further payment obligations.

The contributions are recognised as an expense in the statement of comprehensive income when they fall due. Amounts not paid are shown in accruals as a liability in the balance sheet. The assets of the plan are held separately from the company in independently administered funds.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

1. Accounting policies (continued)

1.15 Interest income

Interest income is recognised in the statement of comprehensive income using the effective interest method.

1.16 Borrowing costs

Borrowing costs are recognised in the statement of comprehensive income over the period of the life of the borrowing in question.

1.17 Current and deferred taxation

Tax is recognised in the statement of comprehensive income, except that a charge attributable to an item of income and expense recognised as other comprehensive income or to an item recognised directly in equity is also recognised in other comprehensive income or directly in equity respectively.

The current income tax charge is calculated on the basis of tax rates and laws that have been enacted or substantively enacted by the balance sheet date in the countries where the company operates and generates income.

Deferred tax balances are recognised in respect of all timing differences that have originated but not reversed by the balance sheet date, except that:

- The recognition of deferred tax assets is limited to the extent that it is probable that they will be recovered against the reversal of deferred tax liabilities or other future taxable profits; and
- Any deferred tax balances are reversed if and when all conditions for retaining associated tax allowances have been met.

Deferred tax balances are not recognised in respect of permanent differences except in respect of business combinations, when deferred tax is recognised on the differences between the fair values of assets acquired and the future tax deductions available for them and the differences between the fair values of liabilities acquired and the amount that will be assessed for tax. Deferred tax is determined using tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

1.18 Exceptional items

Exceptional items are transactions that fall within the ordinary activities of the company but are presented separately due to their size or incidence. These include transactions that are non-recurring in nature and are larger transactions that have a significant financial impact on the company.

2. General information

Green Highland Renewables Limited is a private company limited by shares, incorporated in Scotland, UK, and the address of its registered office and principal place of business is CEF Building, Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW.

The principal activity of the company is the development of small and medium-sized hydro electric schemes and generation of renewable energy.

Green Highland Renewables Limited

**Notes to the financial statements
For the year ended 30 September 2017**

3. Employees

The average monthly number of employees, including the directors, during the year was as follows:

	2017	2016
	No.	No.
Administration and operations	14	14
Directors	5	6
	<hr/> 19 <hr/>	<hr/> 20 <hr/>

4. Tangible fixed assets

	Plant and machinery £	Motor vehicles £	Fixtures and fittings £	Total £
Cost				
At 1 October 2016	13,603	18,417	79,958	111,978
Additions	18,755	-	2,240	20,995
Disposals	-	-	(43,796)	(43,796)
At 30 September 2017	<hr/> 32,358 <hr/>	<hr/> 18,417 <hr/>	<hr/> 38,402 <hr/>	<hr/> 89,177 <hr/>
Depreciation				
At 1 October 2016	8,807	6,075	71,032	85,914
Charge for the year	6,472	3,039	6,910	16,421
Disposals	-	-	(43,796)	(43,796)
At 30 September 2017	<hr/> 15,279 <hr/>	<hr/> 9,114 <hr/>	<hr/> 34,146 <hr/>	<hr/> 58,539 <hr/>
Net book value				
At 30 September 2017	<hr/> 17,079 <hr/>	<hr/> 9,303 <hr/>	<hr/> 4,256 <hr/>	<hr/> 30,638 <hr/>
At 30 September 2016	<hr/> 4,796 <hr/>	<hr/> 12,342 <hr/>	<hr/> 8,927 <hr/>	<hr/> 26,065 <hr/>

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

5. Fixed asset investments

	Investments £
Cost	
At 1 October 2016	2,941
At 30 September 2017	<u>2,941</u>
Net book value	
At 30 September 2017	<u>2,941</u>
At 30 September 2016	<u>2,941</u>
Securities granted	

The company has granted fixed standard securities in favour of Albion Venture Capital Trust plc over Chaorach Holdings Limited, Bruachaig Hydro Limited, Green Highland Renewables (Loch Arkaig) Limited, Liatrie Burn Hydro Limited and Glen Cannich.

The company has granted fixed standard securities in favour of Triple Point Income VCT PLC and Broadpoint 2 Limited over Green Highland Renewables (Achnacarry) Limited and Green Highland Allt Gharbh Limited.

The company has granted fixed standard securities and floating charges in favour of Allied Irish Bank Plc and ING Bank N.V. over Loch Eilde Mor, Kinlocheven, Glen Cannich, Allt Mullardoch Hydro Limited, Green Highland Renewables (Roroyere) Limited, Ceannacroc Hydro Limited, Shenva Hydro Limited, Keltneyburn Hydro Limited, Green Highland Abhainn Glen nam Fiadh (385) Limited, Coulags Hydro Limited, Green Highland Renewables (Achnacarry) Limited and Green Highland Allt Gharbh Limited.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

5. Fixed asset investments (continued)

Subsidiary undertakings, joint ventures and associates

The following were subsidiary undertakings, joint ventures or associates of the company:

Name	Country of incorporation	Class of shares	Holding	Principal activity
Chaorach Holdings Limited	Scotland	Ordinary	49.0 %	Holding company
Chaorach Hydro Limited	Scotland	Ordinary	49.0 %	Generation of renewable energy
Coiltie Hydro Limited	Scotland	Ordinary	50.0 %	Development of a hydro electric facility
Green Highland Renewables (Loch Arkaig) Limited	Scotland	Ordinary	49.0 %	Generation of renewable energy
Green Highland Allt Larairidh (1123) Limited	Scotland	Ordinary	100.0 %	Dormant
Green Highland Allt na H-Imrich (408) Limited	Scotland	Ordinary	100.0 %	Dormant
Abhainn Bheagaig Hydro Limited	Scotland	Ordinary	100.0 %	Dormant
Bruachaig Hydro Limited	Scotland	Ordinary	49.0 %	Generation of renewable energy
Green Highland Allt na Lairige Limited	Scotland	Ordinary	100.0 %	Dormant
Liatric Burn Hydro Limited	Scotland	Ordinary	49.0 %	Development of a hydro electric facility
Nathrach Hydro Limited	Scotland	Ordinary	100.0 %	Dormant
Green Highland Renewables (Argyll) Limited	Scotland	Ordinary	100.0 %	Dormant

Green Highland Renewables Limited is a designated member of the following dormant Limited Liability Partnership:

Allt na H-Imrich (408) LLP (financial period end date of 31 March 2017).

The registered office of all other companies in this group is CEF Building, Inveralmond Road, Inveralmond Industrial Estate, Perth, PH1 3TW.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

5. Fixed asset investments (continued)

The aggregate of the share capital and reserves as at 30 September 2017 and of the profit or loss for the year ended on that date for the subsidiary undertakings were as follows:

	Aggregate of share capital and reserves £	Profit/(loss) £
Chaorach Holdings Limited	2,648,477	(2,880)
Chaorach Hydro Limited	(323,259)	(259,142)
Coiltie Hydro Limited	(42,414)	(30,756)
Green Highland Renewables (Loch Arkaig) Limited	828,728	(73,360)
Green Highland Allt Larairidh (1123) Limited	1	-
Green Highland Allt na H-Imrich (408) Limited	1	-
Abhainn Bheagaig Hydro Limited	1,000	-
Bruachaig Hydro Limited	516,513	(324,071)
Green Highland Allt na Lairige Limited	1	-
Liattrie Burn Hydro Limited	528,140	(115,199)
Nathrach Hydro Limited	100	-
Green Highland Renewables (Argyll) Limited	100	-
	4,157,388	(805,408)

6. Work in progress

	2017 £	2016 £
Projects in development	615,225	272,006
Stock	-	3,906
	615,225	275,912

Green Highland Renewables Limited

**Notes to the financial statements
For the year ended 30 September 2017**

7. Debtors

	2017	2016
	£	£
Due after more than one year		
Amounts owed by group undertakings	17,841,910	73,165,410
	<u>17,841,910</u>	<u>73,165,410</u>

	2017	2016
	£	£
Due within one year		
Trade debtors	234,969	251,333
Amounts owed by group undertakings	5,050,621	785,590
Other debtors	12,843	63,641
Prepayments and accrued income	201,763	156,392
Tax recoverable	-	3,476
	<u>5,500,196</u>	<u>1,260,432</u>

8. Cash and cash equivalents

	2017	2016
	£	£
Cash at bank and in hand	485,434	8,504,448
Less: credit card	(1,131)	(3,185)
	<u>484,303</u>	<u>8,501,263</u>

9. Creditors: Amounts falling due within one year

	2017	2016
	£	£
Credit card	1,131	3,185
Trade creditors	94,281	181,358
Amounts owed to group undertakings	4,690,774	2,229,462
Other taxation and social security	39,855	176,088
Other creditors	6,746	22,627
Accruals and deferred income	451,975	801,650
	<u>5,284,762</u>	<u>3,414,370</u>

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

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

	2017 £	2016 £
Amounts owed to group undertakings	3,635,500	32,108,720
	<u>3,635,500</u>	<u>32,108,720</u>

Unsecured loans

Loans owed to group undertakings are unsecured. These loans are repayable on demand after 12 months following the signing of these financial statements.

11. Deferred taxation

The provision for deferred taxation is made up as follows:

	2017 £	2016 £
Accelerated capital allowances	(4,545)	(3,461)
Tax losses carried forward	4,283	2,438
Short term timing differences	262	1,023
	<u>-</u>	<u>-</u>

12. Share capital

	2017 £	2016 £
Shares classified as equity		
Allotted, called up and fully paid		
15,338 Ordinary shares of £1 each	<u>15,338</u>	<u>15,338</u>

All ordinary shares are prescribed equal voting and dividend rights.

Called up share capital represents the nominal value of the shares issued.

13. Reserves

Profit and loss account

The profit and loss account represents cumulative profits or losses, net of dividends paid and other adjustments.

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

14. Pension commitments

The company operates a defined contribution pension scheme. The pension cost charge for the year represents contributions payable by the company to the scheme and amounted to £54,859 (2016 - £71,127).

Contributions totaling £5,434 (2016 - £6,271) were payable to the fund at the balance sheet date and are included in other creditors.

15. Financial commitments

At 30 September 2017 the company had future minimum lease payments under non-cancellable arrangements as follows:

Land and buildings

	2017 £	2016 £
Not later than 1 year	14,942	23,930
Later than 1 year and not later than 5 years	-	14,942
	<u>14,942</u>	<u>38,872</u>

Management fees

	2017 £	2016 £
Not later than 1 year	180,000	180,000
	<u>180,000</u>	<u>180,000</u>

Green Highland Renewables Limited

Notes to the financial statements For the year ended 30 September 2017

16. Related party transactions

Chaorach Hydro Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)

During the year the company provided services of £38,882 (2016 - £100,392) to Chaorach Hydro Limited and received payments of £49,938 (2016 - £95,000). At the balance sheet date the amount due from Chaorach Hydro Limited was £2,960 (2016 - £14,016).

Coiltie Hydro Limited (a company which is 50.00% controlled by Green Highland Renewables Limited)

During the year the company provided services of £521,495 (2016 - £67,413) to Coiltie Hydro Limited and received payments of £515,713 (2016 - £59,913). A loan was provided to Coiltie Hydro Limited from Green Highland Renewables Limited amounting to £2,911,000 (2016 - £30,000). At the balance sheet date the amount due from Coiltie Hydro Limited was £13,282 (2016 - £7,500).

Green Highland Renewables (Loch Arkaig) Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)

During the year the company provided services of £32,299 (2016 - £66,465) to Green Highland Renewables (Loch Arkaig) Limited and received payments of £32,940 (2016 - £98,959). At the balance sheet date the amount due from Green Highland Renewables (Loch Arkaig) Limited was £1,729 (2016 - £2,369).

Bruachaig Hydro Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)

During the year the company provided services of £34,481 (2016 - £1,093,099) to Bruachaig Hydro Limited and received payments of £43,399 (2016 - £1,083,567). At the balance sheet date the amount due from Bruachaig Hydro Limited was £615 (2016 - £9,532).

Liatrie Burn Hydro Limited (a company which is 49.00% controlled by Green Highland Renewables Limited)

During the year the company provided services of £68,042 (2016 - £629,737) to Liatrie Burn Hydro Limited and received payments of £76,113 (2016 - £619,944). At the balance sheet date the amount due from Liatrie Burn Hydro Limited was £1,722 (2016 - £9,793).

Green Highland Renewables (Achnacarry) Limited (a company which is 49.90% controlled by Green Highland Hydro Limited, a company controlled by Raindance Acquisitions Limited, the immediate parent of Green Highland Renewables Limited)

During the year the company provided services of £377,269 (2016 - £220,835) to Green Highland Renewables (Achnacarry) Limited and received payments of £376,276 (2016 - £233,547). At the balance sheet date the amount due from Green Highland Renewables (Achnacarry) Limited was £7,638 (2016 - £6,695).

Green Highland Allt Garbh Limited (a company which is 49.75% controlled by Green Highland Hydro Limited, a company controlled by Raindance Acquisitions Limited, the immediate parent of Green Highland Renewables Limited)

During the year the company provided services of £107,758 (2016 - £230,886) to Green Highland Allt Garbh Limited and received payments of £105,937 (2016 - £224,286). At the balance sheet date the amount due from Green Highland Allt Garbh Limited was £8,421 (2016 - £6,600).

17. Controlling party

The company's immediate parent is Raindance Acquisitions Limited.

The ultimate controlling party is Ancala Renewables Limited Partnership.

Following the balance sheet date, a share purchase agreement was signed in respect of the shares of Raindance TopCo Limited which, if completed, would result in a change in the ultimate controlling party to Simec Group Limited. The share purchase agreement had not reached completion by the date these financial statements were approved and signed.

Green Highland Renewables Limited

**Notes to the financial statements
For the year ended 30 September 2017**

18. Auditor's information

The auditor's report on the financial statements for the year ended 30 September 2017 was unqualified.

In their report, the auditor emphasised that following matter without qualifying their report:

Material uncertainty related to going concern

We draw attention to note 1.3 to the financial statements, which indicates that the company's current group financial support and banking arrangements may expire in less than 12 months, should the agreed transaction to sell the group complete. The directors do not, at this time, have formal assurance that alternative funding arrangements are in place. As stated in note 1.3, these events or conditions indicate a material uncertainty exists that may cast significant doubt on the company's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

The audit report was signed on 28 March 2018 by Alastair Rae (Senior statutory auditor) on behalf of BDO LLP.