

3. Basis of preparation

These consolidated financial statements ("consolidated financial statements", "financial statements") have been prepared in accordance with the International Financial Reporting Standards ("IFRS") endorsed by the European Union and in effect as at December 31st 2018.

These consolidated financial statements have been prepared on the assumption that the Group companies will continue as going concerns in the foreseeable future. As at the date of authorisation of these financial statements for issue, no circumstances were identified which would indicate any threat to the Group companies' continuing as going concerns.

4. New standards and interpretations

The following new standards, amendments to existing standards and interpretations have been endorsed by the European Union (the "EU"):

- Amendments to IFRS 2 *Share-based Payment – Classification and Measurement of Share-Based Payment Transactions* (effective for annual periods beginning on or after January 1st 2018),
- Amendments to IFRS 4 *Insurance Contracts – Applying IFRS 9 Financial Instruments with IFRS 4 Insurance Contracts* (effective for annual periods beginning on or after January 1st 2018 or from the first-time application of IFRS 9 *Financial Instruments*),
- Amendments to IFRS 15 *Revenue from Contracts with Customers – Clarifications to IFRS 15 Revenue from Contracts with Customers* (effective for annual periods beginning on or after January 1st 2018),
- Amendments to IAS 40 *Investment Property – Transfers of Investment Property* (effective for annual periods beginning on or after January 1st 2018),
- Amendments to IFRS 1 and IAS 28 resulting from Annual Improvements to IFRS Standards 2014–2016 Cycle – amendments made as part of the annual IFRS improvements project (IFRS 1, IFRS 12, and IAS 28) primarily to correct conflicts and clarify wording (the amendments to IFRS 1 and IAS 28 are effective for annual periods beginning on or after January 1st 2018),
- IFRIC 22 *Foreign Currency Transactions and Advance Consideration* (effective for annual periods beginning on or after January 1st 2018),
- IFRS 16 *Leases* (effective for annual periods beginning on or after January 1st 2019),
- Amendments to IFRS 9 *Financial Instruments – Prepayment Features with Negative Compensation* (effective for annual periods beginning on or after January 1st 2019),
- IFRIC 23 *Uncertainty over Income Tax Treatments* (effective for annual periods beginning on or after January 1st 2019).

New standards, amendments to existing standards and interpretations which have not been endorsed by the European Union:

- IFRS 14 *Regulatory Deferral Accounts* (effective for annual periods beginning on or after January 1st 2016),
- IFRS 17 *Insurance Contracts* (effective for annual periods beginning on or after January 1st 2021),
- Amendments to IFRS 3 *Business Combinations – Definition of a Business* (effective for business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1st 2020 and to asset acquisitions that occur on or after the beginning of that period),
- Amendments to IFRS 10 *Consolidated Financial Statements* and IAS 28 *Investments in Associates and Joint Ventures: Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*, and subsequent amendments (the effective date of the amendments has been postponed until the research project on the equity method has been concluded),
- Amendments to IAS 1 *Presentation of Financial Statements* and IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Materiality* (effective for annual periods beginning on or after January 1st 2020),
- Amendments to IAS 19 *Employee Benefits – Plan Amendment, Curtailment or Settlement* (effective for annual periods beginning on or after January 1st 2019),
- Amendments to IAS 28 *Investments in Associates and Joint Ventures – Long-term Interests in Associates and Joint Ventures* (effective for annual periods beginning on or after January 1st 2019),
- Amendments to various standards introduced as part of the Annual Improvements to IFRS Standards 2015–2017 Cycle – amendments made to IFRS 3, IFRS 11, IAS 12 and IAS 23 primarily to correct conflicts and clarify wording (effective for annual periods beginning on or after January 1st 2019),
- Amendments to References to the Conceptual Framework in IFRS Standards (effective for annual periods beginning on or after January 1st 2020).

The effective dates are stated in relevant standards issued by the International Accounting Standards Board. The dates of application of standards in the EU may differ from the effective dates stated in those standards and are announced upon their endorsement by the EU.

The Group has not elected to early adopt any of the standards, interpretations, or amendments endorsed by the EU which were not effective as at December 31st 2018.