ESKMUIR
PROPERTIES

30 SEPTEMBER
2021

report and consolidated financial statements

CONTENTS

ESKMUIR PROPERTIES

FINANCIAL HIGHLIGHTS

	2021	2020	% change
Turnover	£15.8m	£13.5m	17%
Profit / (loss) before tax	£45.8m	(£6.9m)	764%
Earnings / (loss) per share (see Note 22)	223.7p	(39.4p)	667%
Dividend paid per share	25.74p	24.24p	6%
Net assets per share	1,099p	901p	(22%)
TOTAL SHAREHOLDER RETURN	**24.8%**	**(4.1%)**	
i) Adjusted profit before tax	**£25.3m**	**£10.8m**	**134%**
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£40.7m**	**£17.0m**	**139%**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**251.5p**	**105.1p**	**139%**

	2021	2020	% change
Profit / (loss) before tax Adjustments:	£45.8m	(£6.9m)	
(Gains) / deficit arising on revaluations of investment property	(£20.5m)	£17.6m	
Provision against carrying value of investments	-	£0.1m	
i) Adjusted profit before tax	**£25.3m**	**£10.8m**	**134%**
Historic revaluation surplus (before tax) realised in the year	£15.4m	£6.2m	
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£40.7m**	**£17.0m**	**139%**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**251.5p**	**105.1p**	**139%**

Of these highlights, the board and senior management consider: Adjusted profit before tax; Adjusted profit before tax (including realised revaluation surpluses); and total shareholder return as key performance indicators.

ESKMUIR
PROPERTIES

STRATEGIC REPORT

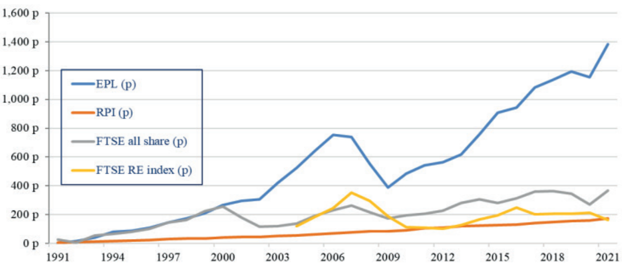
I am pleased to report 2021 has been an exceptional year for Eskmuir, notwithstanding the significant challenges presented by the Covid-19 pandemic. In line with Government guidance the Eskmuir Team has worked remotely for all but the last few weeks of the Financial Year and I would like to thank them for all they have done to deliver the record set of results detailed in this report. The headlines include:

- **24.8% total Shareholder Return** (2020: -4.1%) resulting in 56.0% total shareholder return over the last five years (2020: 39.8%).
- **£45.8m Profit Before Tax including unrealised revaluation movements** (2020: Loss £6.9m). £25.3m (17% of opening shareholders' funds) Profit Before Tax excluding unrealised revaluation movements, more than 3 times the 10 year average
- **27.00p per share Standard Dividend,** 10.3% increase on 2020 and **Eskmuir's 30th successive year of dividend growth**
- **5.00p per share Special Dividend**, i.e. 32.00p per share total dividend for 2021, 30.7% increase on 2020 and 120% increase since 2006 (2020: 99.0% since 2006)
- **£177.9m Shareholders Funds**, 22% increase on 2020
- **9.5% valuation growth** on standing investments and properties acquired during the year
- **Portfolio rebalanced** towards the industrial sector, industrial portfolio weighting 51.4% (2020: 34.3%)
- **Lunar Portfolio purchase**, Eskmuir's largest ever acquisition increasing tenant diversity by 43%
- **Rent Collection**, an average of 99.5% collected each quarter during the 2021 year (2020: 98.3%)

The Eskmuir Board consider Adjusted profit before tax (including realised revaluation surpluses) - which ignores unrealised revaluation movements and provisions against carrying value of investments - to be a good measure of the realised results of the business in any single year. Adjusted profit before tax (including realised revaluation surpluses) for the current year was £40.7m (251.5p per share) compared to £17.0m (105.1p per share) for 2020.

Long Term Performance

Total Shareholder Returns (cumulative p): EPL vs RPI, FTSE all share & FTSE Real Estate Index 350



Since Eskmuir's launch in 1990 a Total Shareholder Return of 12.2% pa averaged over 30 years, has been achieved. The 125p per share (£16m) invested in 1990 has provided a total return of 1,379p per share, 405p has been paid in dividends and 974p retained in NAV growth.

In the chart above Eskmuir's relative returns are shown. RPI growth since 1990 would have seen the initial £16m investment in Eskmuir grow to £39m, Eskmuir's 2021 NAV is £178m, in addition to this capital growth shareholders have been paid total dividends of £63m.

Economic Background

The UK's economy has experienced record spikes in GDP with the lockdown restrictions effectively suspending the economy only for it to be resurrected sharply as movement restrictions eased. The initial impact of the buoyant recovery phase seems to have abated and GDP growth is more subdued. Despite inflation being over twice the Bank of England's 2% target, increasing the likelihood of gradual interest rate increases from the current record low base rate, the pandemic has extended the duration we are likely to see very low base rates. This coupled with negligible bond rates and low and volatile dividends from equities sees investors searching for real investment assets that offer attractive levels of sustainable reoccurring income hedged against inflation. Real estate returns offer both bond like fixed income and equity like shorter term income, which has historically been linked to inflation. This helps explain the weight of equity currently looking to be deployed into the commercial real estate investment market.

The effectiveness of the UK's Covid-19 vaccine programme enabled the Government to gradually relax lockdown restrictions and, before the recent Omicron variant surfaced and prompted the Government to vary guidance - work from home if you can, some sense of normality returned. The pandemic's economic impact has been far reaching, requiring unprecedented government support and borrowing. The most notable impact of the pandemic on the commercial real estate industry has been to accelerate a number of existing trends, which has polarised the performance of the real estate sectors. Technology has been the enabler of the changes we have seen which were previously unimaginable.

Business Model and Strategy

Eskmuir's business model is implemented through its evolving strategy which is responsive to market trends. The trends we are observing in occupier and investor behaviours are integral to the strategy we devise and deploy. The directive to work remotely, has demonstrated how well many businesses can be run remotely and it will see many office workers continue to work from home for part of the week. This will reduce demand for office accommodation and change how office spaces are used.

Whilst office occupiers are still evolving their approaches it is anticipated smaller, well located, more flexible space with good environmental credentials will prosper whilst tertiary office accommodation is likely to be converted to alternative uses. We anticipate good environmental credentials will be essential to office assets being investment quality going forward.

Lockdown restrictions have seen a boom in the online economy. This has polarised the performance of the retail and industrial/logistics sectors. In the retail sector those retailers who have survived have embraced the multi-channel retailing model. On-line shopping as a percentage of overall retail sales increased from 20.8% in Q4 2019 to a peak of 35.5% in Q1 2021 over the pandemic, accelerating the reduction in retailers physical store networks. Town centres and shopping centres have seen large numbers of vacant units and low occupier demand has reduced rents. Negative rental growth forecasts have impacted investor demand resulting in capitalisation rates and values declining. Eskmuir has not been immune to this trend. Some sub-sectors of the retail market have performed much better including out of town retail warehouses and especially food stores. The growth in online retailing and increased demand for industrial/logistics units as retailers and logistics firms strive to deliver products to customers with greater efficiently and speed. Additionally, the supply chain interruptions resulting from the pandemic and Brexit have seen a number of manufactures move from "just in time" to "just in case" supply chains adding to occupational demand. This demand has fuelled strong rental growth particularly in the urban industrial sub-sector of the market targeted by Eskmuir. High value alternative use land values in urban areas has seen few new developments heightening the constrained supply and enhancing rental growth forecasts. Investor appetite and sentiment for the industrial sector continues to grow with large amounts of equity waiting to be invested. This is a competitive sector to be acquiring assets in but I am pleased to confirm after the balance sheet date Eskmuir acquired Corolin Road Trade Park, Gloucester (NIY 5.4% RY 6.7%) and Medina Trade Park, Hull (NIY 5.5% RY 6.2%), both multi let assets with strong rental growth prospects.

The Eskmuir business model has demonstrated resilience during the pandemic and remains relevant in serving Eskmuir's stated objectives of; providing a sustainable and growing income stream whilst growing the capital in real terms, to benefit both current and future generations of shareholder and beneficiaries. The disciplined implementation of the business model through a clear strategy which is responsive to changing macro-economic factors has enabled this year's returns. Eskmuir's business model is based on the following foundations:

Investment Management – Acquiring quality investment properties well, having completed a pre-purchased bespoke 5-year asset plan ensures the hidden potential to enhance rental income and capital values is spotted early. Delivering the asset plan, often repositioning the asset so it meets the needs of today's occupiers, enables enhanced values to be crystallised through investment sales. That capital can then be recycled into acquiring new opportunities which add to both the rental income and the asset management pipeline. The timing and pricing of buying and selling is crucial as is the sectors and nature of assets targeted.

Asset Management – The combination of strong relationships with occupiers and a detailed understanding of local markets have enabled Eskmuir's Asset Managers to progress each property's 5-year asset plan to provide the accommodation occupiers need and want whilst enabling hidden value to be released through enhanced rental income and values. High occupancy and tenant retention rates mitigate void costs and improve income returns. Strong tenant relationships have supported robust rent collection rates throughout the pandemic. Asset management amplifies returns in strong markets and mitigates the impact of more challenging ones.

Financial Management – Eskmuir's strong balance sheet features appropriate levels of equity, core debt (2047 Debentures) and strategic debt (Natwest revolving facility) from long-standing partners. Eskmuir's strong financial foundations can weather value corrections, as seen in Eskmuir's 2020 financial year, and provide the resources to complete opportunistic purchases, as seen with the Lunar Portfolio acquisition in Eskmuir's 2021 financial year.

Risk Management – At a business, portfolio and property level steps are taken to identify and mitigate risks which may negatively impact performance. Eskmuir's Interim Economic Risk Management Committee (IERMC), a sub-committee of the Eskmuir Properties Ltd Board met weekly at the hight of the pandemic but now convenes monthly. The eight step risk mitigation plan was devised, implemented and completed to addressed the heightened risks posed by the pandemic to Eskmuirs's cashflows and balance sheet, has been effective. Inevitably, there is a relationship between risk and returns which we manage diligently. Whilst risk cannot be eliminated completely the Executive Directors, IERMC and the Board have a low tolerance of risks which may materially impact the businesses long term objectives. The Board meets quarterly and reviews business risk.

Fund Management – Eskmuir Properties performance track record as a Fund Manager of real estate investments for third parties continues to grow. The Diversified Property Fund for Charities, (DPFC) Eskmuir's first Fund Management role, is generating a steadily growing additional revenue stream for Eskmuir. DPFC's clear investment strategy together with the Eskmuir Team's asset management skill set have ensured the investment objectives set at launch are being achieved and it is outperforming both the market benchmarks and its peers. It is anticipated Eskmuir's growing track-record in this area will provide further opportunities.

Eskmuir's strategy targets sectors and assets with robust occupier demand and sustainable income which is key to delivering reoccurring returns to it's investors. Eskmuir's portfolio has been rebalanced this year embracing the strong fundamentals demonstrated by the industrial / logistics sector. In particular, targeting urban industrial assets where there are occupiers serving the logistics and trade markets. Trade suppliers tend to honey pot together resulting in good covenant strength occupier demand and lower vacancy rates. The increase in remote workers spending more time at home has buoyed the home improvement and trade sectors.

There are endless factors which affect how real estate assets perform, however looking back over Eskmuir's 2021 financial year the Covid-19 pandemic has been the principal source of the challenges the Eskmuir business has faced. Whether it be: tenant's cashflows and their ability to pay rent, judging investors' appetite and timing when looking to completed investment property sales, the acceleration of on-line retailing and the way it has impacted the physical retail market and retail values in the Eskmuir portfolio, the pandemic has had a hand in all these challenges. Even before the current Omicron variant became a worldwide issue it has been clear the Covid-19 pandemic is something we are going to be living with for years to come, however the Eskmuir business has proved resilient through this time and appears, in the current environment, to be well placed to continue on this path.

Environmental, Social and Governance (ESG)

Eskmuir is fully committed to the protection of the environment, prevention of pollution and proactive compliance with current and evolving environmental legislation.

Our aim is to demonstrate continuous improvement in our environmental performance through responsible business and property management practices whilst considering the various Stakeholder interests and requirements.

- Good environmental management is an integral part of our business culture, processes and practices.
- Report and audit our environmental performance to demonstrate accountability and improvements. GRESB benchmark membership and reporting now in place.
- The objectives of our Environmental policy include: promoting alternative renewable energy sources to minimise climate change and GHG emissions and where possible initiatives to:
- Reduce energy consumption and improve energy efficiency
- Reduce water usage and incorporate recycling opportunities
- Minimise the amount of waste generated and improve recycling
- Prevent pollution and contamination whilst encourage biodiversity through proactive land management of amenity areas
- Mitigate the risk or loss of established habitats through new development, building works or operational practices
- Utilise sustainable and resilient specifications for building projects which consider materials, products and techniques
- Encourage our agents, suppliers and contractors to improve their own environmental performance through inclusion of commitments within contractual obligations.

The Eskmuir business and the management team are committed to meeting these objectives and this is demonstrated by the systems, processes and practices adopted.

The Portfolio

The Eskmuir portfolio comprises 26 properties (2020: 20) with a total value of £279.2m (2020: £242.4m), average lot size is therefore c.£10.3m (2020: c.£12.1m).

The portfolio weighting by sector is: 51.4% industrial, 17.9% offices and 30.7% retail (2020: 34.3% industrial, 20.3% offices and 45.4% retail).

The industrial weighting has increased from 34.3% in 2020 to 51.4% in 2021 through the purchase of the Lunar portfolio (8 multi-let industrial estates) and the sale of Worple Road, Wimbledon (retail) to re-align the portfolio with the social and economic structural trends prevailing and how they are manifesting themselves in the real estate market. Geographically the properties are located throughout the UK although a total of 61% is located in the South East, South West and East regions which tend to display stronger GVA, regional GDP. The Eskmuir vacancy rate was 8.93% at the end of September (2020: 12.3%). The MSCI All Property Monthly Index Vacancy Rate at that date was 9.6% (2020: 9.2%). The Eskmuir Vacancy Rate excludes units that have been developed but not yet let, this differs from MSCI which excludes properties which have been developed until the earlier of: 75% of the property being let or six months after practical completion.

The diverse occupier base of 238 tenancies (2020: 166) has increased by 43% which has significantly improved tenant diversity reducing tenant specific risk. The top 50 tenants account for 68% of the rent from the portfolio. 77% of this rental income is from tenants with a D&B risk rating of "minimal", "lower than average" or "partnership" suggesting a reliable and sustainable rental income stream which has been demonstrated over the Covid-19 period.

Rent collection during the Covid-19 pandemic has been resilient with an average of 99.5% collected each quarter during the 2021 year (2020: 98.3%). The usual rent collection measure we look to is the average collected 21 days after the quarter day which this year was 84% (2020: 78%). A number of factors have supported the levels of rent collection seen: the sector weightings, with 69% of the portfolio being industrial and office assets where business's cashflows have not generally been as impacted as they have in the retail sector by lockdown measures, the financial covenant quality with 77% of the top 50 tenants being classed as minimal or lower than average risk by D&B, the diversity of the occupier base being formed of 238 tenancies, the good landlord and tenant relationships have helped along with the strong rent collection team who meet weekly to ensure where tenants are able to pay their rent they do.

The investment management work undertaken during the year saw a total of £98.8m of transactions (2020: £15.3m). £53.65m of sales and £45.15m of acquisitions.

The £53.65m of sales contributed 82.2% of the Adjusted profit before tax in the form of profit (over book value) on the sale of investment properties. The two properties sold were:

- Wimbledon, Worple Road , Sainsbury's – The lease of this supermarket was regeared during the year to extending it from 7 years unexpired to 21 years with RPI rent reviews. This property sold for £31.5m, 3.0% NIY.
- Oxford, Nuffield Industrial Estate – various lettings and lease regears at this multi-let trade/industrial park were completed during the year which indicated a strong potential reversion. This property sold for £22.15m, 3.4% NIY.

The rental income for these two properties was £1.8m pa which was replaced by the Lunar portfolio purchase rental income of £2.7m pa resulting in a net rental income increase of £0.9m.

During the financial years 2015 to 2021 Eskmuir has seen a total of £349.2m of investment transactions (2020: £250.4m). £227.7m of investment property sales (2020: £174.1m) following completing their asset plans. Over the same period £121.5m has been reinvested in acquisitions (2020: £76.4m), in line with Eskmuir's deleverage strategy targeting a loan to value (LTV) range of 30%-50%. The LTV has reduced over this period from 45% to 32% providing Eskmuir with significant capacity to acquire assets which embrace the long term macro-economic and social trends. Acquiring additional, multi-let urban industrial properties fits well with this strategy.

During the year Eskmuir acquired the Lunar portfolio of 8 multi-let industrial estates for £45.15m. This purchase increased the rental income to the business whilst rebalancing the portfolio with additional industrial weighting and adding to the asset management pipeline. This purchase is an exciting addition to the portfolio and has performed well during the year. 28 letting transactions have been completed on the portfolio which account for almost 30% of the portfolio by floor area, the resultant increases in rental income and ERV have combined with improved yields to see this portfolio increase in value by 20% in the 9.5 months Eskmuir has owned it.

Each property in the portfolio has a 5-year Asset Plan. The asset management endeavour undertaken incrementally increases the value of the asset until the plan is completed when the property is sold and the capital recycled into new purchases, which then form the future asset management pipeline. The lease with Sainsbury's at Worple Road, Wimbledon was regeared moving the unexpired term from 7 years to 21 years and indexing the rent with RPI at review. Rent was also maintained at the passing rent level, an 18% premium over ERV. With the Asset Plan completed at this property it was sold during the year into a market with limited opportunities to invest in long term, RPI linked food retail units in Greater London. Similarly, at Nuffield Industrial Estate in Oxford the letting of 3 units and other lease event transactions during the year saw the estate 100% occupied and the rental tone increase to over 10.00 per sqft. With the Asset Plan completed the park was sold into a strong industrial investment market.

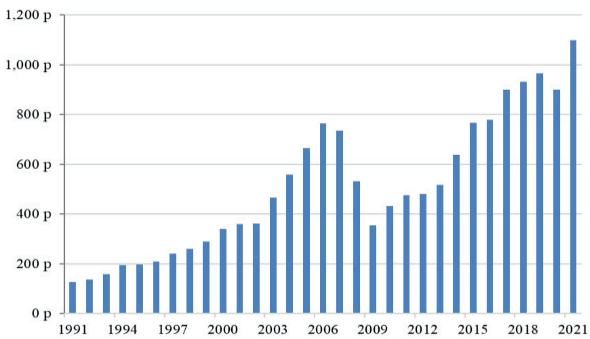
Other examples of the asset management successes include: At Waverley Road Industrial Estate, Harrow two units were refurbished and let at rents in excess of £15.00 per sqft. This evidences the strong rental growth in the industrial sector as the best rent achieved on the park previously was £13.50 per sqft. The limited supply of industrial accommodation also saw the newly refurbished Units 8&9 at Motorway Industrial Estate, Crick let immediately upon completion of the refurbishment works at a rental ahead of expectations. At Wheatley Hall Trade Park, Doncaster there were three vacant units which have all been let to a diverse group of trade suppliers: an electrical wholesaler, a flooring retailer and a bathroom retailer. This evidences the activity in the trade sector at affordable rentals of more than £9.00 per sqft. Whilst the hospitality sector has had it's challenges during the pandemic it was reassuring to see restaurateur La Turka lease the 8,700 sqft Old Post Office unit at the Grosvenor Centre, Macclesfield, which demonstrates the occupational confidence in the town.

Eskmuir's portfolio saw capital values increase by 9.5% (2020: decrease by 6.8%) which compares favourably to the MSCI All Property Monthly Index which saw capital values increase by 7.9% (2020: decrease by 7.8%). The active asset management of the assets in the portfolio has seen rental growth crystalised at lease events. This has been most pronounced on the urban industrial assets in the portfolio which now account for over 50% of the portfolio by value. One of the challenges during the year was the decline in retail asset values. Reduced occupier demand and lower rental values have fed into investor sentiment and weaker yields. Retail assets amount to 30.7% of the portfolio and decreased in value by 4.6%.

Finance

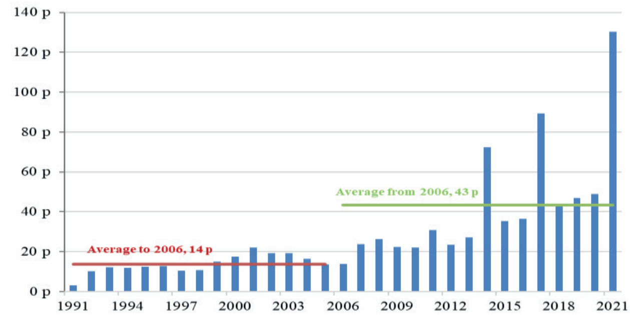
The portfolio valuation increase has contributed to Shareholders' funds growth of 22% to £177.9m (1,099p per share) this year from £145.9m (901p per share) in 2020.

Net Asset Value per Share



The graph above shows the NAV growth since Eskmuir was established in 1990. The NAV has increased from 125p per share (£16.2m) in 1990 to 1099p per share (£177.9m) in 2021 a 779% increase. The NAV has increased year on year save for during the Global Financial Crisis and the 2020 Covid-19 pandemic however, the conservative level of gearing and spread of assets in the portfolio has meant financial covenants have continued to be met and, no rights issues have ever been needed. Contained within the NAV are £103.6m of distributable reserves, profit from prior periods and realised revaluation reserves on assets sold. Since the 2006 adoption of the current asset management business model distributable reserves have increased by £88.2m (505%) net of the payment of dividends.

Earnings per share (excluding revaluation movement)



Eskmuir's 2021 profit before tax was £45.8m (2020: Loss £6.9m). Profit after tax was £36.2m (2020: Loss £6.4m). This has fed through to earnings per share of 223.7p (2020: Loss per share of 39.4p). Earnings per share excluding the valuation movements (EPS) is often seen as a measure of how healthy a business's profit and loss account is. The increase in rental income and the profitable investment property sales this year have seen Eskmuir's EPS increase to 130p, which compares to an average of 43p per share since the 2006 adoption of the current asset management business model, as shown in the graph on the previous page.

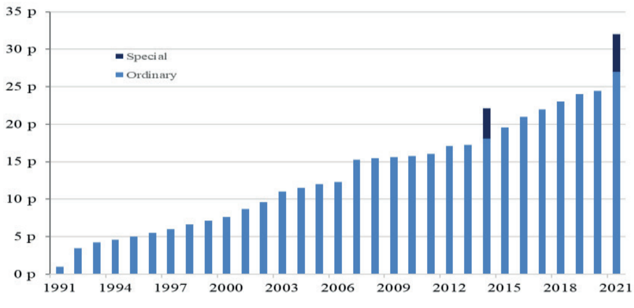
Administrative expenses at £6.0m were higher than the £4.5m incurred in the prior year due to both the Remuneration committee bonus awards for 2021 and a 43% increase in tenants resulting in significantly more lease events and letting activity.

The total ordinary dividend for the 2021 Financial Year will be 27p, a 10.3% increase on last year's ordinary dividend. In addition, due to the exceptional results for the year, a Special Dividend of 5p will be paid along with the final 2021 ordinary dividend in March 2022. The total 2021 dividend has increased 30.7% over the 2020 dividend. The dividend has grown by 120% since 2006.

An interim ordinary dividend of 13.50p per share was paid in September 2021 (2020: 12.24p). The Board has approved a final ordinary dividend of 13.50p per share (2020: 12.24p). Excluding revaluation movements and deferred tax thereon the profit after tax for the year covers the total dividend by 4.1 times (2020: 2.0 times).

2021 is Eskmuir's 30th successive year of dividend growth with special dividends declared in 2014 and 2021, which can be seen in the graph below. The current asset management business model has been in place since 2006 during which time a total of £55m of dividends have been paid to shareholders.

Annual Dividend Per Share (Declared for year)



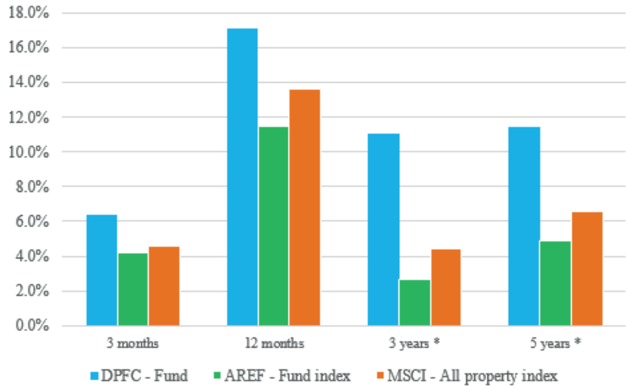
The Diversified Property Fund for Charities

The Diversified Property Fund for Charities (DPFC) is managed by Eskmuir and continues to deliver attractive returns to its 19 charity investors. DPFC's distributions have been reliable, either increasing or the same as the previous year, since inception. The distribution paid during 2021 increased slightly to 7.236p per unit (2020: 7.222p per unit) as for the preceding year representing a total distribution yield for the year of 5.8% on opening NAV. The total return for the year was 17.1% (2020: 7.0%) with the capital value increasing by 10.8% (2020 1.2%). This valuation growth was helped with 58% of the portfolio being in the industrial sector and 19% of the portfolio in the retail warehouse sector. The right sector combined with the asset management work undertaken during the year resulted in DPFC outperforming its market benchmarks and the peer Funds by a considerable margin which is shown in the chart below.

DPFC's clear investment strategy remains relevant and has proved resilient during the pandemic. DPFC targets well located principally multi-let properties in the £3m - £12m strata of the market. These assets tend to have shorter leases which are receptive to the Eskmuir team's asset management skills and are available at attractive income yields. The effective management of the short leases is evidenced by DPFC's low vacancy rate of 2.5% (2020: 1.6%) and reflective of the active asset management undertaken on the portfolio. The MSCI benchmark vacancy rate is significantly higher at 9.6% (2020: 9.2%).

DPFC's seed investors have received a total return of 84% (11.4% annualised) formed of a 47% distribution and 37% capital growth, since inception in February 2015. DPFC is now a named participant in the MSCI AREF index,

Total Returns



performance is published quarterly alongside peer funds.

Strategy and Outlook

The Eskmuir Board formally considers the Eskmuir business model and strategy twice a year and reviews the five-year business plan. The challenges resulting from the Covid-19 pandemic have featured highly in the Eskmuir Board room risk discussions as they have in the regular IERMC meetings. The Executive would like to thank the IERMC members and Eskmuir's Non Executive Board Directors for their guidance over this period. Uncertainty from the pandemic continues as new variants appear however, our experience of the last two years is reassuring. The Eskmuir business has been resilient and delivered record returns in 2021.

The Eskmuir Board considers the business's clear business model and strategy, as outlined above, remain appropriate and the strength of returns this year support its continued adoption.

2021 is the 30th successive year of dividend growth for Eskmuir. The 25.74p dividend paid (2.9% of opening NAV) is an increase of 6.2% on last year. The 2021 total dividend is made up of 27.00p (3.0% of opening NAV) declared and 5.00p special dividend (0.6% of opening NAV). An interim dividend of 13.5p was paid in September 2021 with the final dividend and special dividend totalling 18.5p being paid in March 2022. When the 198p increase to NAV (22.0% is added to the dividend paid a total shareholder return of 24.8% (2020: -4.1% is achieved). Over the last 5 years a total shareholder return of 56.0% has now been delivered (64.2% adding back the effects of the debenture refinance premium exceptional item from the 2018 financial year). The dividend has been covered 4.1 times by profit after tax this year (2020: 2.0 times).

The Covid-19 pandemic and the uncertainty it brings will be with us for years to come. We have observed the trends it has accelerated and their impact on real estate occupational and investor demand. This has shaped Eskmuir's strategy and led to the rebalancing of the portfolio with Eskmuir's largest ever purchase, the Lunar portfolio. The Eskmuir portfolio has a long and deep pipeline of asset management initiatives and is weighted to the sectors forecast to perform over the years ahead. The importance of having the right skills and people, both inside and outside the Eskmuir business, to crystalise the potential in the portfolio cannot be overstated. Combining these skills with the financial strength of Eskmuir's balance sheet (£178m shareholders funds, LTV 32%) provides considerable comfort that Eskmuir is well placed to prosper in these challenging times.

The Strategic Report has been approved for issue by the board of directors and signed on behalf of the Board.

P A Hodgson
Managing Director
21 December 2021

ESKMUIR PROPERTIES

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 30 September 2021. The Company has chosen, in accordance with section 414C(11) of the Companies Act 2006, to include such matters of strategic importance to the Company in the Strategic Report, which would otherwise be required to be disclosed in the Report of the Directors. Matters so referred to include: financial risk management objectives and policies, post balance sheet events and future developments.

PRINCIPAL ACTIVITY

The principal activity of the Group is the business of property investment, carried out wholly within the United Kingdom, which is the country of domicile, registration and incorporation of Eskmuir Properties Limited.

RESULTS AND DIVIDENDS

The results for the year are detailed in the consolidated income statement on page 13 and show a profit before tax of £45.8m (2020: loss £6.9m). During the year the Company paid an interim dividend of £2.18m (13.50p per share) on 30 September 2021 (2020: £1.98m (12.24p per share)). The Board recommends a final dividend of 13.50p per share and a special dividend of 5.0p both payable on 31 March 2022 (2020: 12.24p per share). Total dividends paid during the financial year were 25.74p per share (2020: 24.24p per share).

BUSINESS REVIEW

The information that fulfils the requirements of the Business Review and Future Developments can be found in the Strategic Report on pages 2 to 5 and the key performance indicators for the Group set out on page 1, all of which are incorporated into this report by reference.

The key business risks facing the Group are considered in detail by the Board on a quarterly basis. The principal risks facing the Group are:

- interest rate risk - this is detailed in Note 17 to the financial statements;
- tenant failure - the significant risk to cash flow in property investment is the loss of rental income, particularly so in this Covid-19 environment. The nature of the Group's portfolio is such that this income is derived from a large and diverse tenant base thereby reducing risk. In addition, the exposure and control over potential bad debts in the portfolio is managed through intensive asset and property management and careful vetting of potential tenants. Covid specific impacts are noted in the Going Concern review over the page;
- market risk - the uncertainty surrounding the UK economy, its departure from the European Union and Covid-19 have a potentially negative impact on property values;
- liquidity risk - as detailed in Note 17 this risk is managed through day-to-day monitoring of future cash flow requirements to ensure the Company has sufficient resources to repay all future amounts outstanding; and
- covenant compliance risk – as detailed in Note 17, financial ratios are monitored on a regular basis and reported to the Board.

DIRECTORS

The present membership of the Board is set out on page 46.

The Directors who served throughout the year, up to the date of signing, together with their interests in the £1 nominal shares of the company were as follows:

	30 September 2021		30 September 2020	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
C M Laing*	1,222,083	726,092	1,222,083	726,092
P A Hodgson	–	–	–	–
J A Harding	–	–	–	–
R J M Collier*	–	12,627,810	–	12,627,810
N J Treble*	–	12,627,810	–	12,627,810
D E Laing*	654,387	2,492,254	654,387	2,492,254
Sir J M K Laing*	968,720	800,276	968,720	800,276

* Non-Executive

MAJOR INTERESTS IN SHARES

The Company has been notified of the following interests, other than directors, that represent 3% or more of the issued share capital of the company at 30 September 2021.

	No. of ordinary shares held	%
Sir Kirby Laing Principal Settlement Trust	11,827,810	73
The Kirby Laing Foundation	1,926,722	12
Sir Kirby Laing Residual Settlement Trust	800,000	5
The Beatrice Laing Trust	508,476	3

GOING CONCERN

The Group's business activities, together with the factors likely to affect its future development, performance and position are set out in the Strategic Report. The financial position of the Group is set out in the Consolidated Balance Sheet and the accompanying notes to the financial statements. Note 17 describes the financial position of the Group, its borrowing facilities and its exposure to interest rate risk, market risk, credit risk and liquidity risk.

Since 2015 Eskmuir realised £228m of proceeds (and generated £62m of profit on book value) from investment property sales and had reinvested £122m, excess proceeds were used to repay debt and reduce leverage. Having a balanced portfolio of investment properties, the knowledge and experience of the Group's management team and a conservative level of bank funding are the standard approach adopted to help mitigate business risks. With the onset of the Covid crisis in the prior year Directors formed a series of additional mitigating actions that continued this year to assist in minimising the financial impact to Eskmuir. Actions, now mostly delivered, included: Tight credit control of outstanding tenant arrears, providing assistance mainly in the form of payment plans in the prior year to those tenants needing help; Implementation of the 2021 investment property sale programme and repayment of bank debt with proceeds; Continuing to pursue the letting of vacant space; Refinancing of the £60m bank loan facility on similar terms with maturity now 31 March 2025; The company had no need to call on any of the support Government offered to businesses affected by the Covid crisis; the acquisiton of 8 industrial estates during December 2020 diversified specific tenant risk, the number of tenants across the portfolio has grown from 169 to 238; The frequency of meetings with the IERMC also remained elevated from the pre-Covid norm although is now every c.3 weeks.

A dashboard of the business is presented at the IERMC meetings, this includes rent collection data, cash, bank covenant compliance data, asset details and Projections for the current financial year. Also included is a set of Projections which show a Base case, Best case and Worse case sensitivity of given assumptions. 2021 has been Eskmuir's strongest year ever yet leverage remains low (LTV 32%). Directors are proactively managing the impact any fall in market values or reduction in rental income would have on the Group's ability to meet loan to value or interest cover covenants. With cash balances of £3.7m and a newly refinanced undrawn £60m bank facility at the year end the Directors, after making reasonable enquiries, are of the opinion that the Group has adequate resources to continue its operations for the foreseeable future. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

POST BALANCE SHEET EVENTS

Details of Post Balance Sheet Events are described in Note 29 & Note L.

DISCLOSURE OF INFORMATION TO THE AUDITOR

Each of the persons who is a Director at the date of approval of the report confirms that:

- so far as the Directors are aware, there is no relevant audit information of which the Company's auditor is unaware; and
- the Directors have taken all the steps that they ought to have taken as a Director in order to make themselves aware of any relevant audit information and to establish that the Company's auditor is aware of that information.

This confirmation is given and should be interpreted in accordance with the provisions of section 418 of the Companies Act 2006.

QUALIFYING THIRD PARTY INDEMNITY PROVISION

A qualifying third party indemnity provision as defined in section 232(2) of the Companies Act 2006 is in force for the benefit of each of the Directors and the Company Secretary in respect of liabilities incurred as a result of their office, to the extent permitted by law, in relation to the Company and its group, including all subsidiaries. In respect of those liabilities for which Directors may not be indemnified, the Company maintained a Directors' and officers' liability insurance policy throughout the financial year this also applies to the wider group which includes all subsidiaries.

AUDITOR

Deloitte LLP have expressed their willingness to continue in office as auditor.

A resolution to re-appoint Deloitte LLP as the Company's auditor will be proposed at the forthcoming Annual General Meeting.

Approved by the Board of Directors and signed on behalf of the Board.

P A Hodgson
Managing Director
21 December 2021

REPORT BY THE BOARD ON DIRECTORS' REMUNERATION

Remuneration policy
Executive remuneration packages are designed to attract, motivate and retain Directors of the high calibre needed to maintain the Company's position and to reward them for enhancing value to shareholders.

There are three main elements of the remuneration package for executive Directors:

- Basic annual salary and benefits;
- Discretionary annual performance-related bonus; and
- Pension arrangements.

Basic salary and benefits
The salary and benefits are reviewed annually by a committee comprising Non-Executive members of the Board. The committee makes recommendations to the Board. No Executive Director plays a part in any discussion about his own remuneration. Full details of Directors' emoluments are given in Note 6 to the financial statements.

Discretionary annual performance related bonus
The Executive Directors participate in a performance-related bonus each year.

The annual bonus is based upon meeting targets set by the Board. Company performance in excess of the target set by the remuneration committee annually may merit the maximum bonus as follows:

P A Hodgson	150% of annual salary
J A Harding	100% of annual salary

30% of any award that exceeds 25% of salary is to be deferred. The employee may also elect to defer an additional sum. The deferred element will grow in line with shareholder return on equity, (defined as profit before tax - excluding revaluation movements - as a percentage of shareholders' funds) and be paid three years after the date of grant.

Pension arrangements
The Company makes contributions to defined contribution pension schemes on behalf of employees, including Directors. The Company's annual contributions vary, being a constant percentage of the individual's annual salary. Eskmuir also provides a Stakeholder pension scheme option to all employees. For employees likely to be affected by either the Pension Lifetime Allowance or maximum annual pension contribution cap, the Company offers the alternative of taking additional salary in lieu of pension contributions.

Directors' contracts
The Company has service agreements with P A Hodgson from 4 February 2014 and J A Harding from 6 February 2017. These may be terminated by either:

(a) the Company giving not less than twelve months' written notice; or

(b) either Director giving not less than six months' written notice.

Non-Executive Directors
The remuneration of Non-Executive Directors, including the Chairman, is determined by the Board.

Details of Directors' remuneration
This report should be read in conjunction with Note 6 to the consolidated financial statements, and the Directors' Report giving details of Directors' share interests. Together with the foregoing note relating to incentive schemes, these contain full details of all elements in the remuneration package of each Director.

Retirement by rotation
P A Hodgson and D E Laing retire by rotation and, being eligible, offer themselves for re-election.

DIRECTORS' RESPONSIBILITIES STATEMENT

The Directors are responsible for preparing the Annual 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), including FRS 102 "The Financial Reporting Standard Applicable in the UK and Republic of Ireland". 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 year. In preparing these financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards 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 Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and to 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.

The Directors are responsible for the maintenance and integrity of the corporate and financial information included on the Company's website. Legislation in the United Kingdom governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

ESKMUIR
PROPERTIES

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESKMUIR PROPERTIES LIMITED

REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Opinion

In our opinion the financial statements of Eskmuir Properties Limited (the 'parent company') and its subsidiaries (the 'group'):

- give a true and fair view of the state of the group's and of the parent company's affairs as at 30 September 2021 and of the group's profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland"; and
- have been prepared in accordance with the requirements of the Companies Act 2006.

We have audited the financial statements which comprise:

- the consolidated income statement;
- the consolidated and company balance sheets;
- the consolidated and company statements of changes in equity;
- the consolidated cash flow statement; and
- the related Notes 1 to 28; and company Notes A to K.

The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including Financial Reporting Standard 102 "The Financial Reporting Standard applicable in the UK and Republic of Ireland" (United Kingdom Generally Accepted Accounting Practice).

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 the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other 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 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 group's and parent 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 other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. 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.

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 course of 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 this gives rise to a material misstatement in the financial statements themselves. 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 respect of these matters.

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's and the 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 FRC'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, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

- management's incentive to manipulate assumptions used by the external valuer in their estimation of the fair value of the investment properties: We have engaged internal property management experts to challenge these assumptions against industry data to benchmark key yield assumptions used in the valuation.

In common with all audits under ISAs (UK), we are also required to perform specific procedures to respond to the risk of management override. In addressing the risk of fraud through management override of controls, we tested the appropriateness of journal entries and other adjustments; assessed whether the judgements made in making accounting estimates are indicative of a potential bias; and evaluated the business rationale of any significant transactions that are unusual or outside the normal course of business.

In addition to the above, our procedures to respond to the risks identified included the following:

- reviewing financial statement disclosures by testing to supporting documentation to assess compliance with provisions of relevant laws and regulations described as having a direct effect on the financial statements;
- performing analytical procedures to identify any unusual or unexpected relationships that may indicate risks of material misstatement due to fraud;
- enquiring of management concerning actual and potential litigation and claims, and instances of non-compliance with laws and regulations; and
- reading minutes of meetings of those charged with governance, and reviewing correspondence with HMRC.

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF ESKMUIR PROPERTIES LIMITED

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

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.

In the light of the knowledge and understanding of the group and of the parent company and their environment obtained in the course of the audit, we have not identified any material misstatements in the strategic report or the directors' report.

Matters on which we are required to report by exception

Under the Companies Act 2006 we are required to report in respect of the following matters if, in our opinion:

- adequate accounting records have not been kept by the parent company, 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.

We have nothing to report in respect of these matters.

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.

Andy Siddorns, FCA (Senior Statutory Auditor)
for and on behalf of Deloitte LLP
Statutory Auditor
London, United Kingdom

21 December 2021

ESKMUIR PROPERTIES

CONSOLIDATED INCOME STATEMENT

For the year ended 30 September 2021

	Note	2021 £'000	2020 £'000
TURNOVER	3	15,778	13,508
Rents payable		(275)	(273)
		15,503	13,235
Administrative expenses		(6,014)	(4,469)
Provision against carrying value of investments	12	–	(52)
Profit on disposal of investment properties		20,827	6,882
OPERATING PROFIT		30,316	15,596
Gains / (deficits) arising on revaluation of investment property	11	20,466	(17,577)
Interest receivable and similar income		1	7
Interest payable and similar charges	5	(5,023)	(4,961)
PROFIT / (LOSS) BEFORE TAXATION	4	45,760	(6,935)
Tax on profit / loss	7	(9,555)	553
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		36,205	(6,382)
Basic and diluted earnings / (loss) per share	22	223.7p	(39.4p)

The above results are from continuing operations and are attributable exclusively to the equity shareholders of the company.

A statement of comprehensive income has not been provided as there were no items of "Other comprehensive income" in either year.

ESKMUIR PROPERTIES

CONSOLIDATED BALANCE SHEET
As at 30 September 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	10	19	21
Investment properties	11	279,895	243,069
Investments	12	903	668
		280,817	243,758
CURRENT ASSETS			
Debtors	13	5,097	4,471
Cash at bank and in hand		3,690	4,749
		8,787	9,220
CREDITORS: amounts falling due within one year	14	(9,357)	(8,261)
NET CURRENT ASSETS		(570)	959
TOTAL ASSETS LESS CURRENT LIABILITIES		280,247	244,717
CREDITORS: amounts falling due after more than one year	15	(94,874)	(94,856)
PROVISIONS FOR LIABILITIES AND CHARGES	16	(7,473)	(4,001)
NET ASSETS		177,900	145,860
CAPITAL AND RESERVES			
Called up share capital	18	16,182	16,182
Profit and loss reserve		161,718	129,678
SHAREHOLDERS' FUNDS		177,900	145,860
NET ASSETS PER SHARE	24	1,099p	901p

These consolidated financial statements of Eskmuir Properties Limited, registered number 02512752, from page 13 to 36, were approved and authorised for issue by the Board of Directors on 9 December 2021.
Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director

21 December 2021

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Called up share capital (Note 18) £'000	Profit and loss reserve £'000	Total £'000
At 30 September 2019	**16,182**	**139,983**	**156,165**
Loss for the financial year	–	(6,382)	(6,382)
Total comprehensive expense	–	(6,382)	(6,382)
Dividends paid during the year (Note 9)	–	(3,923)	(3,923)
Total movement in year	–	(10,305)	(10,305)
At 30 September 2020	**16,182**	**129,678**	**145,860**
Profit for the financial year	–	36,205	36,205
Total comprehensive income	–	36,205	36,205
Dividends paid during the year (Note 9)	–	(4,165)	(4,165)
Total movement in year	–	32,040	32,040
At 30 September 2021	**16,182**	**161,718**	**177,900**

ESKMUIR PROPERTIES

CONSOLIDATED CASH FLOW STATEMENT

For the year ended 30 September 2021

	Note	2021 £'000	2020 £'000
Net cash inflow from operating activities	**19**	**3,809**	**5,159**
Cashflows from investing activities			
Investment property acquisitions		(48,074)	–
Investment property additions		(739)	(782)
Unquoted investment additions		(235)	–
Payments to acquire tangible fixed assets		(9)	(20)
Net proceeds on sale of investment properties		53,216	15,182
Net cash inflow from investing activities		**4,159**	**14,380**
Cashflows from financing activities			
Repayments of bank loan facility		(47,727)	(13,700)
Advances under bank loan facility		47,727	6,650
Costs of refinancing bank facility		–	(237)
Interest received		1	7
Interest paid		(4,863)	(4,752)
Equity dividends paid to shareholders		(4,165)	(3,923)
Net cash outflow used in financing activities		**(9,027)**	**(15,955)**
(Decrease) / increase and cash equivalents in the year		**(1,059)**	**3,584**
Cash and cash equivalents at beginning of the year		**4,749**	**1,165**
Cash and cash equivalents at end of the year		**3,690**	**4,749**

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

1. ACCOUNTING POLICIES

The principal accounting policies are summarised below. They have been applied consistently throughout the year and to the preceding year.

a) General information and basis of accounting

Eskmuir Properties Limited (the Company) is a company incorporated in the United Kingdom under the Companies Act 2006.

The Company is a private company limited by shares and is registered in England and Wales. The address of the Company's Registered Office is shown on page 46.

The principal activities of the Company and its subsidiaries (the Group) and the nature of the Group's operations are set out in the Report of the Directors on Page 6.

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC).

The functional currency of the Group is considered to be Pounds Sterling, which is the currency of the primary economic environment in which the company operates.

b) Basis of consolidation

The Group financial statements consolidate the financial statements of the Company and its subsidiary undertakings (as detailed in Note E of Company only accounts) drawn up to 30 September each year. The results of subsidiaries acquired or sold are consolidated for the periods from or to the date on which control passed.

Business combinations are accounted for under the purchase method. Where necessary adjustments are made to the financial statements of subsidiaries to bring the accounting policies used into line with those used by the Group. All intra-group transactions, balances, income and expenses are eliminated on consolidation.

c) Going concern

The financial statements have been prepared using the going concern basis of accounting. Assessment of going concern is provided in the Directors Report on page 6.

d) Tangible fixed assets

Tangible fixed assets are stated at cost or valuation, net of depreciation and any provision for impairment.

Depreciation is provided on all tangible fixed assets, other than investment properties and freehold land, at rates calculate to write off the cost or valuation, less estimated residual value, of each asset over its expected useful life as follows:

Fixtures and fittings	20% per annum
Computer equipment	$33^{1}/_{3}$% per annum

Residual value represents the estimated amount which would currently be obtained from disposal of an asset, after deducting estimated costs of disposal, if the asset were already at the age and in the condition expected at the end of its useful life.

e) Investment properties

Investment properties for which fair value can be measured reliably without undue cost or effort on an ongoing basis are measured at fair value annually with any change recognised in the statement of comprehensive income.

Acquisitions and disposals of investment properties are accounted for in the period in which contracts become unconditional.

Disposals of properties are recognised where contracts have been unconditionally exchanged during the accounting period and the significant risks and rewards of ownership of the property have been transferred to the purchaser.

Where an investment property is held under a head lease, the head lease is initially recognised as an asset at the present value of the minimum ground rent payable under the lease. The corresponding rent liability to the leaseholder is included in the balance sheet as a finance lease obligation.

1. ACCOUNTING POLICIES (continued)

f) Financial instruments

Financial assets and financial liabilities are recognised when the Group becomes a party to the contractual provisions of the instrument.

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities.

i) Financial assets & liabilities

All financial assets and liabilities are initially measured at transaction price (including transaction costs), except for those financial assets classified as at fair value through profit or loss, which are initially measured at fair value (which is normally the transaction price excluding transaction costs), unless the arrangement constitutes a financing transaction. If an arrangement constitutes a financing transaction, the financial asset or financial liability is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Financial assets and liabilities are only offset in the balance sheet when, and only when there exists a legally enforceable right to set off the recognised amounts and the Group intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

Debt instruments which meet the following conditions are subsequently measured at amortised cost using the effective interest method:

(a) The contractual return to the holder is: (i) a fixed amount; (ii) a positive fixed rate or a positive variable rate; or (iii) a combination of a positive or a negative fixed rate and a positive variable rate.

(b) The contract may provide for repayments of the principal or the return to the holder (but not both) to be linked to a single relevant observable index of general price inflation of the currency in which the debt instrument is denominated, provided such links are not leveraged.

(c) The contract may provide for a determinable variation of the return to the holder during the life of the instrument, provided that (i) the new rate satisfies condition (a) and the variation is not contingent on future events other than (1) a change of a contractual variable rate; (2) to protect the holder against credit deterioration of the issuer; (3) changes in levies applied by a central bank or arising from changes in relevant taxation or law; or (ii) the new rate is a market rate of interest and satisfies condition (a).

(d) There is no contractual provision that could, by its terms, result in the holder losing the principal amount or any interest attributable to the current period or prior periods.

(e) Contractual provisions that permit the issuer to prepay a debt instrument or permit the holder to put it back to the issuer before maturity are not contingent on future events, other than to protect the holder against the credit deterioration of the issuer or a change in control of the issuer, or to protect the holder or issuer against changes in levies applied by a central bank or arising from changes in relevant taxation or law.

(f) Contractual provisions may permit the extension of the term of the debt instrument, provided that the return to the holder and any other contractual provisions applicable during the extended term satisfy the conditions of paragraphs (a) to (c).

Debt instruments that have no stated interest rate (and do not constitute financing transaction) and are classified as payable or receivable within one year are initially measured at an undiscounted amount of the cash or other consideration expected to be paid or received, net of impairment.

With the exception of some hedging instruments, other debt instruments not meeting these conditions are measured at fair value through profit or loss.

Commitments to make and receive loans which meet the conditions mentioned above are measured at cost (which may be nil) less impairment.

Financial assets are derecognised when and only when a) the contractual rights to the cash flows from the financial asset expire or are settled, b) the Group transfers to another party substantially all of the risks and rewards of ownership of the financial asset, or c) the Group, despite having retained some, but not all, significant risks and rewards of ownership, has transferred control of the asset to another party.

Financial liabilities are derecognised only when the obligation specified in the contract is discharged, cancelled or expires.

1. ACCOUNTING POLICIES (continued)

ii) Investments

Investments in subsidiaries, associates and other fixed asset investments are measured at cost less impairment.

g) Impairment of assets

Assets, other than those measured at fair value, are assessed for indicators of impairment at each balance sheet date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss as described below..

Non-financial assets

An asset is impaired where there is objective evidence that, as a result of one or more events that occurred after initial recognition, the estimated recoverable value of the asset has been reduced. The recoverable amount of an asset is the higher of its fair value less costs to sell and its value in use.

Where indicators exist for a decrease in impairment loss previously recognised for assets other than goodwill, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

Financial assets

For financial assets carried at amortised cost, the amount of an impairment is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the financial asset's original effective interest rate.

For financial assets carried at cost less impairment, the impairment loss is the difference between the asset's carrying amount and the best estimate of the amount that would be received for the asset if it were to be sold at the reporting date.

Where indicators exist for a decrease in impairment loss, and the decrease can be related objectively to an event occurring after the impairment was recognised, the prior impairment loss is tested to determine reversal. An impairment loss is reversed on an individual impaired financial asset to the extent that the revised recoverable value does not lead to a revised carrying amount higher than the carrying value had no impairment been recognised.

h) Taxation

Current tax, including UK corporation tax and foreign tax, is provided at amounts expected to be paid (or recovered) using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date.

Deferred tax is recognised in respect of all timing differences that have originated but not reversed at the balance sheet date where 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 have occurred at the balance sheet date. Timing differences are differences between the Group's taxable profits and its results as stated in the financial statements that arise from the inclusion of gains and losses in tax assessments in periods different from those in which they are recognised in the financial statements.

Unrelieved tax losses and other deferred tax assets are recognised only to the extent that, on the basis of all available evidence, it can be regarded as more likely than not that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Deferred tax liabilities are recognised for timing differences arising from investments in subsidiaries and associates, except where the Group is able to control the reversal of the timing difference and it is probable that it will not reverse in the foreseeable future.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted by the balance sheet date that are expected to apply to the reversal of the timing difference. Deferred tax relating to non-depreciable property measured using the revaluation model and investment property is measured using the tax rates and allowances that apply to sale of the asset. In other cases, the measurement of deferred tax liabilities and assets reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

Where items recognised in other comprehensive income or equity are chargeable to or deductible for tax purposes, the resulting current or deferred tax expense or income is presented in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense or income.

Current tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and the Group intends either to settle on a net basis or to realise the asset and settle the liability simultaneously.

1. ACCOUNTING POLICIES (continued)

Deferred tax assets and liabilities are offset only if: a) the Group has a legally enforceable right to set off current tax assets against current tax liabilities; and b) the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities which intend either to settle current tax liabilities and assets on a net basis, or to realise the assets and settle the liabilities simultaneously, in each future period in which significant amounts of deferred tax liabilities or assets are expected to be settled or recovered.

i) Turnover

Turnover represents net amounts receivable for the year exclusive of VAT. Surrender premiums received during the year are included in turnover. Rental income billed in advance is recorded as Deferred Income and included as part of Creditors due within one year.

j) Employee benefits

The Company makes contributions into defined contribution pension schemes for eligible employees. The assets of the schemes are held separately from those of the Company in independently administered funds.

The charge against profits is the amount of contributions payable to the pension scheme in respect of the accounting period.

Other longer-term employee benefits are measured at the present value of the benefit obligation at the reporting date.

For employees likely to be affected by either the Pension Lifetime Allowance or maximum annual pension contribution cap, the Company offers the alternative of taking additional salary in lieu of pension contributions.

k) Leases

The Group as lessee
Assets held under finance leases, hire purchase contracts and other similar arrangements, which confer rights and obligations similar to those attached to owned assets, are capitalised as tangible fixed assets at the fair value of the leased asset (or, if lower, the present value of the minimum lease payments as determined at the inception of the lease) and are depreciated over the shorter of the lease terms and their useful lives. The capital elements of future lease obligations are recorded as liabilities, while the interest elements are charged to the profit and loss account over the period of the leases to produce a constant periodic rate of interest on the remaining balance of the liability..

The Group as lessor
Rentals under operating leases are charged on a straight-line basis over the lease term, even if the payments are not made on such a basis. Benefits received and receivable as an incentive to sign an operating lease are similarly spread on a straight-line basis over the lease term.

l) Borrowing costs

Borrowing costs which are directly attributable to the construction of tangible fixed assets are capitalised as part of the cost of those assets.

Capitalisation begins when both finance costs and expenditures for the asset are being incurred and activities that are necessary to get the asset ready for use are in progress. Capitalisation ceases when substantially all the activities that are necessary to get the asset ready for use are complete.

m) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event and it is probable that the Group will be required to settle that obligation and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the balance sheet date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

1. ACCOUNTING POLICIES (continued)

n) Valuation of equity investments

Eskmuir Investments Ltd, a subsidiary of Eskmuir Properties Limited, invests in a number of start up businesses at their inception and development stages. Due to the difficulty in measuring at fair value without undue cost or effort, these investments are held at cost, subject to impairment considerations.

2. CRITICAL ACCOUNTING JUDGEMENTS AND KEY SOURCES OF ESTIMATION UNCERTAINTY

In the application of the Company's accounting policies, which are described in Note 1, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

There were no significant accounting judgements exercised during the current year (2020: none).

Key sources of estimation uncertainty

Investment properties were revalued to fair value as at 30 September 2021 based on a valuation by Jones Lang LaSalle, Chartered Surveyors, an independent professionally qualified valuer with recent experience in the location and class of the investment property being valued. The Valuation basis is market value and was arrived at by reference to market evidence of the transaction prices paid for similar properties in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

The key assumptions used in determining the fair value of investment properties were property yields and estimated rental values (Note 11).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

3. TURNOVER

	2021 £'000	2020 £'000
Rents receivable	15,349	13,126
Asset and fund management fee income	429	382
	15,778	13,508

Net rental income, asset and fund management fee income, loss before tax and net assets derive solely from the Group's single principal activity carried out wholly within the United Kingdom.

4. PROFIT / (LOSS) BEFORE TAXATION

Profit / (loss) before taxation is stated after charging:	2021 £'000	2020 £'000
Depreciation of tangible fixed assets (see Note 10)	11	8
Impairment of tangible fixed asset investments (see Note 12)	–	52
Surplus / (deficit) on revaluation of Investment Property (see Note 11)	20,466	(17,577)

The impairment of tangible fixed asset investments arose as a result of delays to the commencement of operations in an investee company.

Depreciation of tangible fixed assets are included in administrative expenses. Impairment of tangible fixed assets investments are disclosed separately on the face of the consolidated income statement.

The analysis of the auditor's remuneration is as follows:

Auditor's remuneration for audit services of the Group's annual financial statements	51	48
Auditor's remuneration for audit services of the Group's subsidiary annual financial statements	63	58
Total audit fees	114	106
Taxation compliance services	76	54
Other compliance and advice services	33	9
Total non-audit fees	109	63
Total audit and non-audit fees	223	169

5. INTEREST PAYABLE AND SIMILAR CHARGES

	2021 £'000	2020 £'000
Debenture interest	4,060	4,059
Bank loans and overdrafts	733	677
Amortisation of bank facility fees	225	225
Other interest payable	5	–
	5,023	4,961

During the year no interest expenses were capitalised into the carrying value of investment properties during the course of construction (2020: £nil).

6. STAFF COSTS

Employee costs for the Company and its group, including Directors, during the year were as follows:	2021 £'000	2020 £'000
Wages and salaries	2,210	1,388
Social security costs	277	164
Pension costs	46	47
Healthcare	28	24
	2,561	1,623
	No.	**No.**
Monthly average number of employees (excluding non-Executive Directors) for the Company and its group	6	6
There is only one category of employees.		

6. STAFF COSTS (continued)

Emoluments of Directors' who are considered to be key management personnel:

	Salary and fees including cash bonus awards granted in year £'000	Vested deferred bonus awards paid in year £'000	Additional salary in lieu of pension contributions £'000	Benefits £'000	Total 2021 £'000	Total 2020 £'000
Executive						
P A Hodgson	690	94	39	6	829	520
J A Harding	353	46	10	3	412	250
Non-Executive						
R J M Collier	55	–	–	–	55	55
C M Laing	40	–	–	–	40	40
D E Laing	30	–	–	–	30	30
Sir J M K Laing	30	–	–	–	30	30
N J Treble	55	–	–	–	55	55
	1,253	140	49	9	1,451	980

Bonus awards are paid on the 31 January following the year end. Deferred bonuses and investment gains are subject to the terms of the discretionary annual performance-related bonus scheme and are paid three years following grant. Deferred awards from 2017 were paid on 31 January 2021 and deferred awards from 2016 were paid on 31 January 2020.

Bonus awards are accrued in the accounts in full in the year of grant, the accrual is then adjusted each year for the investment gain which applies to the deferred element. Until the 2019 Annual Report and Consolidated Financial Statements the table above included both cash and deferred bonus awards at time of grant. Presentation of the table was adjusted in the 2019 report so as to only reflect the cash bonus awards granted and deferred bonus awards paid in the year.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2021

P A Hodgson

Award	Vesting (payable the following January)	At 1 October 2020 £'000	Investment gain accrued in year £'000	Deferred award vesting award £'000	Current year deferred award £'000	At 30 September 2021 £'000
2017 award	30 September 2020	94	–	(94)	–	–
2018 award	30 September 2021	–	–	–	–	–
2019 award	30 September 2022	–	–	–	–	–
2020 award	30 September 2023	–	–	–	–	–
2021 award	30 September 2024	–	–	–	88	88
		94	–	(94)	88	88

J A Harding

Award	Vesting (payable the following January)	At 1 October 2020 £'000	Investment gain accrued in year £'000	Deferred award vesting in year £'000	Current year deferred award £'000	At 30 September 2021 £'000
2017 award	30 September 2020	46	–	(46)	–	–
2018 award	30 September 2021	–	–	–	–	–
2019 award	30 September 2022	–	–	–	–	–
2020 award	30 September 2023	–	–	–	–	–
2021 award	30 September 2023	–	–	–	45	–
		46	–	(46)	45	45

Pensions
In addition to remuneration noted above, the Company makes contributions to Directors defined contribution pension schemes as follows:

	2021 £'000	2020 £'000
P A Hodgson	–	4
J A Harding	10	10
	10	14

E S K M U I R
P R O P E R T I E S

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

7. TAX ON PROFIT

Current Tax	2021 £'000	2020 £'000
United Kingdom corporation tax at 19.0% (2020: 19.0%)	6,138	2,689
Adjustment in respect of prior periods	(55)	29
Total current tax charge	6,083	2,718
Deferred tax		
Origination and reversal of timing differences	(141)	(60)
Tax on revaluation surpluses	2,349	(4,067)
Effect of changes in tax rates	1,264	856
Total deferred tax charge / (credit) (see Note 16)	3,472	(3,271)
Total tax charge / (credit) on profit / loss	9,555	(553)

There is no expiry date on timing differences, unused tax losses or tax credits.

The main rate of corporation tax, as outlined in The Finance Bill 2017, was to reduce to 17% from 19% on 1st April 2020. This was enacted but before it came into effect on 1 April 2020, a new enactment was passed which reverted the tax rate back to 19% from 1 April 2020 onwards. A subsequent enactment during 2021 increased the tax rate to 25% from 1 April 2023. Deferred tax assets and liabilities were measured at 17% up to 30 September 2019 as it was anticipated the timing differences would have reversed after the point at which the rate reduced. At 30 September 2020 deferred tax liabilities were measured at 19% and from 30 September 2021 deferred tax liabilities were measured at 25%.

Factors affecting the tax charge / (credit) for the current year

The differences between the total tax charge / (credit) shown above and the amount's calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2021 £'000	2020 £'000
Group profit / (loss) before tax	45,760	(6,935)
Tax on Group profit / (loss) at standard UK corporation tax rate of 19.0% (2020: 19.0%)	8,694	(1,318)
Effect of changes in tax rates (on deferred tax provision - 19% to 25%)	1,264	856
Tax on chargeable gains on sale	1,344	661
Tax on unrealised revaluation surpluses	(1,539)	(727)
Expenses not deductible for tax purposes	60	80
Release of deferred tax on capital allowances no longer capable of being reversed	(232)	(140)
Other	19	6
Adjustments to tax charge in respect of previous periods	(55)	29
Group total tax charge / (credit) for period	9,555	(553)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2021

8. PROFIT ATTRIBUTABLE TO THE COMPANY

As permitted by Section 408 of the Companies Act 2006, no separate statement of comprehensive income is presented in respect of the parent Company. See Company Balance Sheet, page 37.

9. DIVIDENDS

Amounts recognised as distributions to equity shareholders in the period:	2021 Per share	2021 £'000	2020 Per share	2020 £'000
Previous period final dividend	12.24p	1,981	12.00p	1,942
Current period interim dividend	13.50p	2,184	12.24p	1,981
	25.74p	4,165	24.24p	3,923

The Board recommends a final ordinary dividend of 13.50p per share, £2.184m making a total ordinary dividend for the year of 27.00p, £4.369m (2020: 24.48p per share, £4.165m). The Board further recommends, in light of the exceptional results for the year, a special dividend of 5p per share (£0.809m) payable at the same time as the final dividend. Both the final and special dividends are subject to approval by the shareholders and have not been included as a liability in these financial statements.

10. TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 October 2020	80	153	233
Additions	1	8	9
At 30 September 2021	81	161	242
Accumulated depreciation			
At 1 October 2020	79	133	212
Charge for the year	–	11	11
At 30 September 2021	79	144	223
Net book value			
At 30 September 2021	2	17	19
At 30 September 2020	1	20	21

No leased assets are included above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

For the year ended 30 September 2021

11. INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2020	195,700	46,675	242,375
Acquisitions	48,074	–	48,074
Additions	699	40	739
Spreading of lease incentives	(6)	(59)	(65)
Disposals	(12,386)	(20,003)	(32,389)
Revaluations in year	18,519	1,947	20,466
At valuation at 30 September 2021	250,600	28,600	279,200
Head leases treated as finance leases on investment properties (see Note 23)	–	695	695
Total property value	250,600	29,295	279,895
At cost			
At 30 September 2021	198,471	11,891	210,362
At 30 September 2020	161,410	17,054	178,464

Investment properties were revalued to fair value as at 30 September 2021 based on a valuation by Jones Lang LaSalle, Chartered Surveyors, an independent professionally qualified valuer with recent experience in the location and class of the investment properties being valued. The valuation basis is open market value and was arrived at by reference to market evidence of the transaction prices paid for similar properties in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

In the year to 30 September 2021 no interest was capitalised, (2020: nil). A cumulative total of £823k of interest has been capitalised into the balance sheet (2020: £823k).

As set out in Note 3, property rents receivable during the year was £15.3m (2020: £13.1m). No contingent rents have been recognised as rent income in the current year.

The group's debenture and bank loans are secured on investment properties with a total value of £279,895,000 (2020: £256,295,000).

12. INVESTMENTS

	£'000
Cost:	
At 1 October 2020	1,875
Investment additions	235
At 30 September 2021	2,110
Provision for diminution in value:	
At 1 October 2020	1,207
Provision during the year	–
At 30 September 2021	1,207
Net book value:	
At 30 September 2021	903
At 30 September 2020	668

12. INVESTMENTS (continued)

All investments are unlisted and are included at historical cost and net of provision against impairment of value.

Principal Group unlisted investments:

Entity	Principal Activity	Registered	2021 £'000 Net book value	2020 £'000 Net book value
Vir2us Inc	Development & sale of cyber security systems	USA	707	472
Alvant Plc (formerly CMT Plc)	Development of new to the world metal composite	England & Wales	15	15
VV Vital Ltd (formerly Arc Devices Ltd)	Development & sale of non-contact thermometers	England & Wales	181	181
Leisure Brands Ltd	High end food delivery service	England & Wales	–	–
Quench Worldwide Ltd	Caffeine free natural energy drink	England & Wales	–	–
Nightingale EOS Ltd	Algorythm derived measurement of transparent media	England & Wales	–	–
			903	668

In respect of each investment the Group holds between 0% and 5% of the total equity in issue.

These investments are held at cost less impairment charges due to the difficulty in fair valuing them. The investments are in small businesses in their start up or development phase and with very limited information available, it is considered that the process of fair valuing them would be subject to undue cost and effort.

13. DEBTORS

	2021 £'000	2020 £'000
Trade debtors	2,301	2,185
Corporation tax recoverable	248	–
Other debtors	1,882	1,295
Prepayments and accrued income	666	991
	5,097	4,471

Included within other debtors above are amounts:

- collected from tenants by property agents but not yet paid over to the Group. The agents hold these monies in designated client accounts and pay the balances over on a periodic basis. At the year end the balance outstanding was £604,000 (2020: £681,000).
- held by property agents in respect of rent deposits. At the year end the balance outstanding was £689,000 (2020: £558,000).
- unamortised loan costs £457,000 (2020: £nil).

14. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	1,464	782
Corporation tax	–	795
Other taxes and social security costs	1,251	1,144
Other creditors	908	1,006
Accruals	3,124	2,088
Deferred income	2,610	2,446
	9,357	8,261

15. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Bank loan	–	–
Bond loan 4.255% 2047	94,179	94,162
Finance lease liabilities (Note 23)	695	694
	94,874	94,856

The bank loan facility, undrawn at the year end, is in the name of a subsidiary undertaking. The loan is secured on properties held by the subsidiary the bank and has no recourse to Eskmuir Properties Limited. The £60m loan facility was refinanced on 30 September 2021. and the term extended to 31 March 2025.

Interest on the refinanced facility is charged at a margin over SONIA of either 2.05% or 2.55% depending on covenant performance. (2020: margin of 1.70% or 2.55%pa over LIBOR).

Borrowings are repayable as follows:

	2021 £'000	2020 £'000
Debenture loan		
More than ten years	94,179	94,162
Bank loans		
Between one and two years	–	–
Between two and five years	–	–
	94,179	94,162

16. PROVISIONS FOR LIABILITIES

	2021 £'000	2020 £'000
Deferred taxation – amounts provided:		
At 1 October	4,001	7,272
Charge / (credit) to Consolidated Income Statement	3,472	(3,271)
At 30 September	7,473	4,001

Analysis of deferred tax balance

	2021 £'000	2020 £'000
Capital allowances in excess of depreciation	3,081	703
Capital gains assuming sale	4,392	3,338
Short-term timing differences	–	(40)
	7,473	4,001

17. FINANCIAL INSTRUMENTS

The carrying values of the Group's financial assets and liabilities are summarised by category below:

	2021 £'000	2020 £'000
Financial assets		
Measured at fair value through profit or loss:		
Cash at bank and in hand	3,690	4,749
Trade debtors	2,301	2,185
	5,991	6,934
Financial liabilities		
Measured at amortised cost:		
Trade creditors	1,464	782
Bond loan 4.255% 2047	94,179	94,162
Bank loans	–	–
	95,643	94,944

17. FINANCIAL INSTRUMENTS (continued)

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:

	2021 £'000	2020 £'000
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	5,023	4,961
	5,023	4,961
Fair value losses		
On financial assets measured at fair value through profit and loss	–	–

Risk management

Interest rate risk

Interest rate risk is split into two different types of risk: cash flow interest rate risk; and fair value interest rate risk. Cash flow interest rate risk is the risk that the future cash flows of financial instruments will fluctuate because of changes in market interest rates. As the Company has variable rate debt (undrawn at the Balance Sheet date) it is exposed to cash flow interest rate risk. Fair value interest rate risk is the risk that the value of a financial instrument will fluctuate because of changes in market interest rates. As the Company also has fixed rate debt, it is also exposed to fair value interest rate risk.

The table below summarises the contractual maturity dates of the Company's financial instruments, from year end, which are exposed to interest rate risk::

	Contracted interest rate at 30 Sept 21	Contracted interest rate at 30 Sept 20	Less than one year £'000	More than two and less than five years £'000	More than five years £'000
Short-term deposits held at banks	LIBOR	LIBOR	3,690	–	–
Bank loan	LIBOR plus 2.05%	LIBOR plus 1.70%	–	–	–
4.255% Bonds	4.255%	4.255%	–	–	(94,179)

Market Risk – sensitivity analysis

The sensitivity analysis has been determined based on the Company's assets and liabilities present in the balance sheet as at the balance sheet date and by reference to a movement in market interest rates reasonably possible in the Company's next financial reporting period.

If interest rates for the current year had been 50 basis points higher and this movement applied to the financial assets and financial liabilities as at the balance sheet date, the pre-tax profit for the year ended 30 September 2021 would have been £145,000 lower (2020: £39,000 lower). This results from lower financing costs in respect of the Company's variable rate loans. The inverse is equally true for the current year if interest rates had been 50 basis points lower.

17. FINANCIAL INSTRUMENTS (continued)

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. In order to manage this risk, management regularly monitors all amounts that are owed to the Company to ensure that all amounts are paid in full and on time. No significant credit risks were noted at balance sheet date.

Liquidity Risk

Liquidity risk is the risk that the Company will encounter difficulty in raising funds to meet commitments associated with financial liabilities. This risk is managed through day-to-day monitoring of future cash flow requirements to ensure that the Company has enough resources to repay all future amounts outstanding.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of bank loans and debentures.

Short-term flexibility is achieved by bank loan facilities. The Group has a £60,000,000 loan facility with three and a half years until its maturity date of 31 March 2025. At 30 September 2021, the Group had drawn £nil (2020: £nil) under this facility.

It has been the Group's stated policy that, to ensure continuity of funding, at least 40% of its borrowings should mature in more than five years. As at the end of the financial year 100% (2020: 100%) of the Group's borrowings were due to mature in more than five years.

Covenant compliance risk

Covenant compliance risk is the risk of the Group breaching the loan to value or interest cover ratios that are a condition of the debenture trust deeds or the loan documentation. The covenants require that the company maintains an agreed loan to value ratio of the properties secured, and an income from the secured properties to interest ratio. The Company considers it expects to continue to meet them.

18. CALLED UP SHARE CAPITAL

	2021 £'000	2020 £'000
Authorised:		
64,773,414 ordinary shares of £1 each (2020: 64,773,414)	64,773	64,773
Called up, allotted and fully paid:		
16,182,085 ordinary shares of £1 each (2020: 16,182,085)	16,182	16,182

19. RECONCILIATION OF OPERATING PROFIT TO NET CASH INFLOW FROM OPERATING ACTIVITIES

	2021 £'000	2020 £'000
Operating profit	30,316	15,596
Profit on disposal of investment properties	(20,827)	(6,882)
Depreciation of tangible fixed assets	11	8
Increase in debtors	(586)	(387)
Increase / (decrease) in creditors	1,956	(260)
Lease incentive amortisation	65	250
Provision against carrying value of investments	–	52
Taxation paid	(7,126)	(3,218)
Net cash inflow from operating activities	3,809	5,159

20. ANALYSIS OF CHANGES IN NET DEBT

	2020 £'000	Cash flows £'000	Non-cash movements £'000	2021 £'000
Cash at bank and in hand	4,749	(1,059)	–	3,690
Debt due after more than one year	(94,856)	–	(18)	(94,874)
	(90,107)	(1,059)	(18)	(91,184)

Non cash movements comprise amortisation of the costs of raising loan finance and issue costs relating to the bank loan.

21. RECONCILIATION OF MOVEMENT IN NET DEBT

	2021 £'000	2020 £'000
(Decrease) / increase in cash in the year	(1,059)	3,584
Repayment under bank loan facility	47,727	13,700
Advances under bank loan facility	(47,727)	(6,650)
Total cash movements	(1,059)	10,634
Non cash movements	(18)	(263)
Change in net debt	(1,077)	10,371
Net debt at 1 October	(90,107)	(100,478)
Net debt at 30 September	(91,184)	(90,107)

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2021

22. EARNINGS PER SHARE

		2021	2020
Basic and diluted earnings / (losses) per share		223.7p	(39.4p)
Basic and diluted earnings per share have been calculated based upon the following figures:			
Weighted average number of shares in issue	**No.**	16,182,085	16,182,085
Earnings / (loss) for the year	**£'000**	36,205	(6,382)

23. FINANCIAL COMMITMENTS

Total minimum future lease receipts under non cancellable operating leases are as follows

	Land and Buildings	
	2021	**2020**
	£'000	**£'000**
In less than one year	12,897	11,126
Between two and five years	30,860	34,380
In more than five years	8,022	11,759
	51,779	57,265
Capital Commitments contracted for but not provided for are as follows:	–	–

At 30 September 2020 the Group was committed to making the following minimum future payments in respect of finance leases:

	Land and Buildings	
	2021	**2020**
	£'000	**£'000**
In less than one year	58	58
Between two and five years	231	231
In more than five years	5,482	5,540
	5,771	5,829
Less future finance charges	(5,076)	(5,135)
Net present value of finance leases recognised as liabilities	695	694

The minimum lease payments noted above relate to head rent payable on leasehold properties over the remaining 100 years (2020: 101 years) weighted average unexpired lease term.

24. NET ASSETS PER SHARE

Net asset value per share has been calculated on 16,182,085 (2020: 16,182,085) ordinary shares in issue at the year end and on net assets of £177,900,000 (2020: £145,860,000)..

25. RELATED PARTY TRANSACTIONS

Eskmuir Asset Management Limited (EAM) and Eskmuir FM Limited (EFM), both wholly owned subsidiaries of the company respectively are asset manager and fund manager respectively of The Diversified Properties Fund for Charities (DPFC). Certain shareholders of Eskmuir Properties Limited are also investors in DPFC and hold sufficient units to be able to exercise control.

Clare College Cambridge is an investor in DPFC and the Bursar of that organisation is a member of the Investment Advisory Board of EAM. Fees payable to Clare College Cambridge for the year were £10,000 (2020: £10,000), £2,500 of which was outstanding at the balance sheet date (2020: £7,500).

Services provided to DPFC totalled £286,325 (2020: £254,835) in EAM and £143,163 (2020: £127,418) in EFM. At the balance sheet date, a total of £117,975 (2020: £97,125) was outstanding in respect of these services.

Transactions between the company and its subsidiaries, which are related parties of the company, have been eliminated on consolidation and are not disclosed in these financial statements.

During the year, Eskmuir Asset Management Limited incurred £6,822 of costs on behalf of DFPC (2020: £20,466), these will be recharged after the year end. The amount outstanding at the balance sheet date was £27,288 (2020: £20,466).

26. CONTINGENT LIABILITIES

There were no contingent liabilities noted at the year end (2020: nil).

27. SUBSIDIARY UNDERTAKINGS

Full details of subsidiary undertakings are shown in Note E to the company financial statements.

28. CONTROLLING PARTY INFORMATION

The Sir Kirby Laing Principal Settlement Trust is the controller and ultimate controller of Eskmuir Properties Limited, as noted on page 7.

29. POST BALANCE SHEET EVENTS

On 11 November 2021 Eskmuir Securities Ltd, a wholly owned subsidary company, completed the acquisition of a multi-let industrial estate in Gloucester for consideration of £3,520,000 plus costs (Net Initial Yield 5.4%pa). The acquisition was funded from cash reserves and Eskmuir's newly refinanced £60m bank loan which was undrawn at the Balance Sheet date.

On 16 December 2021 Eskmuir Securities Ltd exchanged contracts to acquire a multi-let industrial estate in Hull for consideration of £3,815,000 plus costs (Net Initial Yield of 5.5%). Completion is contractually due on 21 December 2021, the acquisition will be funded from cash reserves and Eskmuir's £60m bank loan facility.

ESKMUIR
PROPERTIES

COMPANY BALANCE SHEET

As at 30 September 2021

	Note	2021 £'000	2020 £'000
FIXED ASSETS			
Tangible fixed assets	C	17	19
Investment properties	D	159,677	168,136
Investments	E	10,100	100
		169,794	168,255
CURRENT ASSETS			
Debtors due in more than one year	F	–	67,886
Debtors due in less than one year	F	104,858	2,360
Cash at bank and in hand		2,347	3,955
		107,205	74,201
CREDITORS: amounts falling due within one year	G	(6,300)	(4,715)
NET CURRENT ASSETS		100,905	69,486
TOTAL ASSETS LESS CURRENT LIABILITIES		270,699	237,741
CREDITORS: amounts falling due after more than one year	H	(96,023)	(95,882)
PROVISIONS FOR LIABILITIES	J	(4,147)	(2,058)
NET ASSETS		170,529	139,801
CAPITAL AND RESERVES			
Called up share capital	K	16,182	16,182
Profit and loss reserve		154,347	123,619
SHAREHOLDERS' FUNDS		170,529	139,801
NET ASSETS PER SHARE		1054p	864p

The Company has not set out its own income statement, as permitted by Companies Act 2006. The profit after tax for the year was £34,893,000 (2020: £9,756,000).

These financial statements of Eskmuir Properties Limited, registered number 02512752, on pages 37 to 44, were approved and authorised for issue by the Board of Directors on 9 December 2021.

Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director

21 December 2021

ESKMUIR PROPERTIES

COMPANY STATEMENT OF CHANGES IN EQUITY

For the year ended 30 September 2021

	Called up share capital £'000	Profit and loss reserve £'000	Total £'000
At 30 September 2019	**16,182**	**117,786**	**133,968**
Profit for the financial year	–	9,756	9,756
Total comprehensive income	–	9,756	9,756
Dividends paid during the year	–	(3,923)	(3,923)
Total movement in year	–	5,833	5,833
At 30 September 2020	**16,182**	**123,619**	**139,801**
Profit for the financial year	–	34,893	34,893
Total comprehensive income	–	34,893	34,893
Dividends paid during the year	–	(4,165)	(4,165)
Total movement in year	–	30,728	30,728
At 30 September 2021	**16,182**	**154,347**	**170,529**

ESKMUIR
PROPERTIES

NOTES TO THE COMPANY BALANCE SHEET

For the year ended 30 September 2021

A. BASIS OF PREPARATION

The financial statements have been prepared under the historical cost convention, modified to include certain items at fair value, and in accordance with Financial Reporting Standard 102 (FRS 102) issued by the Financial Reporting Council (FRC). The accounting policies adopted are set out in the Group accounting policies in Note 1 to the consolidated financial statements.

The Directors' statement on going concern is made in the Report of the Directors.

The Company meets the definition of a qualifying entity under FRS 102 and has therefore taken advantage of the disclosure exemptions available to it in respect of its separate financial statements. Exemptions have been taken in relation to share-based payments, financial instruments, presentation of a cash flow statement and remuneration of key management personnel.

B. AUDITOR REMUNERATION

The remuneration in respect of the audit of the Company for the period was 51,000 (2020: £48,000). Fees payable to the Auditor by the Group are disclosed in Note 4 to the consolidated financial statements.

C. TANGIBLE FIXED ASSETS

	Fixtures and Fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 October 2020	79	150	229
Additions	2	7	9
At 30 September 2021	81	157	238
Accumulated Depreciation			
At 1 October 2020	78	132	210
Charge for the year	–	11	11
At 30 September 2021	78	143	221
Net book value			
At 30 September 2021	3	14	17
At 30 September 2020	1	18	19

No leased assets are included above.

NOTES TO THE COMPANY BALANCE SHEET

For the year ended 30 September 2021

D. INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2020	125,750	42,350	168,100
Acquisitions	6,000	–	6,000
Additions net of dilapidations receipts	184	5	189
Capitalised interest	–	–	–
Spreading of lease incentives	(177)	(49)	(226)
Disposals	(12,386)	(20,003)	(32,389)
Revaluation in year	16,420	1,547	17,967
At valuation at 30 September 2021	135,791	23,850	159,641
Head leases treated as finance leases on investment properties (See Note I)	–	36	36
Total property value	135,791	23,886	159,677
At cost			
At 30 September 2021	91,141	14,813	105,954
At 30 September 2020	96,760	20,010	116,770

Investment properties were revalued to fair value as at 30 September 2021 based on a valuation by Jones Lang LaSalle, Chartered Surveyors, an independent professionally qualified valuer with recent experience in the location and class of the investment property being valued. The valuation basis is market value and was arrived at by reference to market evidence of the transaction prices paid for similar properties in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

Property rental income earned during the year was £9.5m (2020: £8.5m). No contingent rents have been recognised as rent income in the current year.

The acquisitions in the year were purchased from a wholly owned subsidiary at external valuation. They therefore do no appear as acquisitions in the consolidated financial statements.

The company acts as guarantor on a subsidiary's Bond loan. The Bond loan is secured against the company's investment properties with a total value of £159,641,000 (2020: £168,100,000).

E. INVESTMENTS

	£'000
Cost	
At 1 October 2020	100
Additions	10,000
At 30 September 2021	10,100

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2021

E. INVESTMENTS (continued)

Subsidiary Undertakings:

Company Name	Activity	Cost £	Shares held (ordinary shares)	% owned
Eskmuir Asset Management Limited	Property Asset Management	1	1	100
Eskmuir FM Limited	Property Fund Manager	1	1	100
Eskmuir Investments Limited	Investment Company	1	1	100
Eskmuir Group Finance Plc	Group Finance Company	100,000	100,000	100
Eskmuir Securities Limited	Property Investor	10,000,001	1	100
Eskmuir (Thayer Street 1) Limited	Dormant	1	1	100
Eskmuir (Thayer Street 2) Limited	Property Investor	1	1	100

All entities are wholly owned by Eskmuir Properties Limited with the exception of Eskmuir FM Ltd which is itself a wholly owned subsidiary of Eskmuir Asset Management Ltd. All entities were incorporated in the United Kingdom and registered in England and Wales at the address outlined on page 46. Eskmuir Properties Limited is consolidated into the Eskmuir Group financial statements seen on pages 13-36, which is the largest and smallest group the Company is a member of.

Eskmuir (Thayer Street 1) Limited (Co No: 07787008) is exempt from preparation of individual company financial statements under s394a of the Companies Act 2006.

F. DEBTORS

	2021 £'000	2020 £'000
Amounts due in more than one year:		
Amounts due from subsidiary undertakings	–	67,886
Amounts due in less than one year:		
Amounts due from subsidiary undertakings	101,621	–
Trade debtors	1,561	1,420
Other debtors	675	573
Corporation tax	705	–
Prepayments and accrued income	296	367
	104,858	2,360

Amounts due from subsidiary undertakings are unsecured and bear interest quarterly at LIBOR plus 1.70% since 29 September 2016. On 7 December 2020, the company and Eskmuir Securities Ltd (a wholly owned subsidiary undertaking representing £55,619,000 of the £67,886,000 due above) varied the terms of their existing intercompany loan agreement such that: £10,000,000 of indebtedness otherwise payable to the company was written off, as such it is no longer due; and the repayment date of the loan was extended from 30 January 2021 to 31 January 2022 to coincide with amounts due from other subsidiary undertakings. These intercompany facilities are due for repayment by 31 January 2022. New loan agreements, terms not being dissimilar to the existing facility, were signed on 9th December 2021. Balances as at the prior year end were impaired by £3,618,000 as a consequence of net liabilities in two subsidiary undertakings. The impairment was reduced by £2,046,000 in the current year and now relates to one subsidiary undertaking. Impairments eliminate on consolidation.

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2021

F. DEBTORS (continued)

Aside from the amounts due from subsidiary undertakings there are no amounts due in more than one year.

Included within other debtors above are amounts:

- collected from tenants by property agents but not yet paid over to the group. The agents hold these monies in designated client accounts and pay the balances over on a periodic basis. At the year end the balance outstanding was £262,000 (2020: £262,000).

G. CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2021 £'000	2020 £'000
Trade creditors	882	386
Amounts due to subsidiary undertakings	1,559	1,097
Corporation tax	–	687
Other taxes and social security costs	778	(29)
Other creditors	422	389
Accruals and deferred income	1,210	532
Deferred income	1,449	1,653
	6,300	4,715

Amounts due to subsidiary undertakings are unsecured and bear interest quarterly at LIBOR plus 1.70% since 29 September 2016. These intercompany facilities are due for repayment by 31 January 2022. As noted above, new loan agreements are in agreed form with not dissimilar terms and will be signed during December 2021.

H. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2021 £'000	2020 £'000
Amounts due to subsidiary undertakings	95,987	95,846
Finance lease liabilities (Note I)	36	36
	96,023	95,882

On 12 December 2017 Eskmuir Group Finance Plc, a wholly owned subsidiary of the company, issued £95m of new bonds and completed a listing on the Professional Securities Market of the London Stock Exchange. The bonds were issued with a coupon of 4.255% pa and are due for repayment in December 2047. Eskmuir Properties Ltd and Eskmuir (Thayer Street 2) Ltd (a wholly owned subsidiary undertaking) are Guarantors to the bonds.

The amounts due to subsidiary undertakings represents an unsecured loan from Eskmuir Group Finance Plc, a wholly owned subsidiary undertaking. The loan is due for repayment 12 December 2047 and bears interest at the rate of 4.455% pa.

The loans above make up the sole external debt of Eskmuir Properties Limited. Please see Note 17 of the Group financial statements for more information.

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2021

H. CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR (continued)

	2021 £'000	2020 £'000
Amounts due to subsidiary undertakings		
More than ten years	95,987	95,846

I. FINANCIAL COMMITMENTS

	Land and Buildings	
	2021 £'000	2020 £'000
At 30 September 2021 the Company was committed to making the following minimum future payments in respect of finance leases:		
In less than one year	6,164	7,880
Between two and five years	15,928	23,760
In more than five years	4,064	8,004
	26,156	39,644

At 30 September 2021 the Company was committed to making the following minimum future payments in respect of finance leases:		
In less than one year	1	1
Between two and five years	6	6
In more than five years	1,254	1,255
	1,261	1,262
Less future finance charges	(1,225)	(1,226)
Net present value of finance leases recognised as liabilities	36	36

The minimum lease payments noted above relate to head rent payable on leasehold properties over the remaining 917 years (2020: 918 years) weighted average unexpired lease term.

	2021 £'000	2020 £'000
Capital Commitments contracted for but not provided for are as follows:	–	–

ESKMUIR PROPERTIES

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2021

J. PROVISIONS FOR LIABILITIES AND CHARGES

	2021 £'000	2020 £'000
Deferred taxation - amounts provided:		
At 1 October	2,058	6,200
Charge / (credit) to Company Income Statement	2,089	(4,142)
At 30 September	4,147	2,058
Analysis of Deferred Tax balance		
Capital allowances in excess of depreciation	2,057	470
Tax on revaluation surpluses	2,090	1,589
Short-term timing differences	–	(1)
	4,147	2,058

K. CALLED UP SHARE CAPITAL

Details of the share capital of the company are provided in Note 18 to the consolidated financial statements.

L. POST BALANCE SHEET EVENT

On 11 November 2021 Eskmuir Securities Ltd, a wholly owned subsidary company, completed the acquisition of a multi-let industrial estate in Gloucester for consideration of £3,520,000 plus costs (Net Initial Yield 5.4% pa). The acquisition was funded from cash reserves and Eskmuir's newly refinanced £60m bank loan which was undrawn at the Balance Sheet date.

On 16 December 2021 Eskmuir Securities Ltd exchanged contracts to acquire a multi-let industrial estate in Hull for consideration of £3,815,000 plus costs (Net Initial Yield of 5.5%). Completion is contractually due on 21 December 2021, the acquisition will be funded from cash reserves and Eskmuir's £60m bank loan facility.

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2021

GLOSSARY

Adjusted profit before tax
Profit before tax excluding revaluation movements on investment and provision for impairment against investments. Revaluation movements and impairments are excluded as they are not yet realised.

Adjusted profit before tax (including realised revaluation surpluses)
Adjusted profit before tax plus historic revaluation reserves realised on disposals during the year. Revaluation movements become realised upon disposal of the relevant property.

Total Shareholder Return
Closing NAV per share less opening NAV per share plus dividends paid per share all divided by opening NAV per share.

Eskmuir Vacancy Rate
Estimated rental value (ERV) of vacant units divided by the sum of passing rent of let units and the ERV of vacant units. Units which are either: in the process of being developed; or which have been developed but not yet let for the first time are excluded for the purposes of this calculation. “Developed” for these purposes means units which are in the course of construction or are held vacant pending commencement of a scheme of construction.

Dividend Cover
Profit after tax excluding revaluation movements and deferred tax thereon as a multiple of dividends proposed for the financial year.

GVA
Gross Value Added is a measure of UK regional output calculated and published by the Office for National Statistics.

ESKMUIR PROPERTIES

DIRECTORS, OFFICERS AND PROFESSIONAL ADVISERS

DIRECTORS	C M Laing*	*Chairman*
	P A Hodgson	*Managing Director*
	J A Harding	*Finance Director*
	R J M Collier*	
	D E Laing*	
	Sir J M K Laing*	
	N J Treble*	
	* Non-Executive	
COMPANY SECRETARY	J A Harding	
REGISTERED OFFICE AND DOMICILE	8 Queen Anne Street London W1G 9LD	
BANKERS	National Westminster Bank PLC	
SOLICITORS	Osborne Clarke LLP Brodies LLP CMS Cameron McKenna Olswang Nabarro LLP BDP Pitmans LLP DLA Piper UK LLP	
AUDITOR	Deloitte LLP Statutory Auditor Hill House, 1 Little New St London United Kingdom EC4A 3TR	

Company Registration No. 02512752

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