ESKMUIR PROPERTIES

30 SEPTEMBER
2022

Annual Report and Consolidated Financial Statements

ESKMUIR
PROPERTIES LIMITED

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FINANCIAL HIGHLIGHTS

	2022	2021	% change
Turnover	£15.9m	£15.8m	1%
Profit before tax	£18.7m	£45.8m	(59%)
Earnings per share (see Note 22)	88.4p	223.7p	(60%)
Dividend paid per share	32.41p	25.74p	26%
Net assets per share	1,155p	1,099p	5%
TOTAL SHAREHOLDER RETURN	**8.0%**	**24.8%**	
i) Adjusted profit before tax	**£7.5m**	**£25.3m**	**(70%)**
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£10.8m**	**£40.7m**	**(73%)**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**66.7p**	**251.5p**	**(73%)**

	2022	2021	% change
Profit before tax	£18.7m	£45.8m	
Adjustments:			
Gains arising on revaluations of investment property	(£11.2m)	(£20.5m)	
i) Adjusted profit before tax	**£7.5m**	**£25.3 m**	**(70%)**
Historic revaluation surplus (before tax) realised in the year	£3.3m	£15.4m	
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£10.8m**	**£40.7m**	**(73%)**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**66.7p**	**251.5p**	**(73%)**

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.

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* (retired 18 January 2022)	
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
BDB Pitmans LLP
DLA Piper UK LLP

AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

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STRATEGIC REPORT

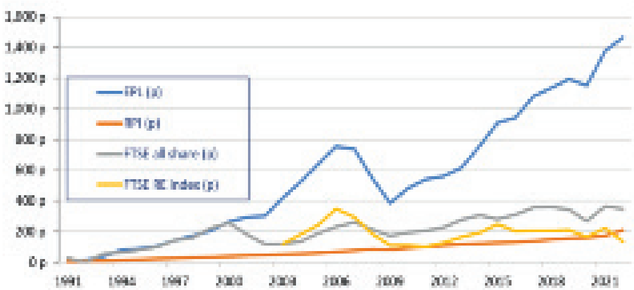
The 2022 Financial Year has been a strong year for Eskmuir adding to its long-term track record of attractive returns. After an exceptional 2021 financial year Eskmuir saw a robust start to the 2022 financial year although the more recent macroeconomic and ongoing geopolitical uncertainty has presented challenges. The disciplined implementation of Eskmuir's business model and strategy, has resulted in profitable investment property sales and property purchases which further align the portfolio to evolving social and economic trends, enhancing portfolio diversity and rental growth potential. The 2022 financial year headlines include:

- **8.0% total Shareholder Return (2021: 24.8%) resulting in 42.8% total shareholder return over the last five years (2021: 56.0%)**
- **£18.7m Profit Before Tax including unrealised revaluation movements (2021: Profit £45.8m).**
  £7.5m (4.2% of opening shareholders' funds) Profit Before Tax excluding unrealised revaluation movements
- **27.82p per share Standard Dividend, 3.0% increase on 2021 and Eskmuir's 31st successive year of dividend growth, 126.2% increase since 2006 (2021: 120% since 2006)**
- **£187.0m Shareholders Funds, 5.1% increase on 2021**
- **9.9% Total Property Return including profits on investment property sales (2021: 22.6%)**
  9.3% Total Property Return excluding disposals (2021: 14.6%)
- **Preferred sector weightings enhanced, increased urban industrial portfolio weighting 52% (2021: 51%). Reduced retail weighting 29% (2021: 31%)**
- **Investment management, £13.3m disposals (4.8% NIY), crystallising £5.3m total profit on historic cost, £14.8m acquisitions (5.4% NIY)**
- **Rent Collection, an average of 99.4% collected each quarter during the 2022 year (2021: 99.5%)**

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 £10.8m (66.7p per share) compared to £40.7m (251.5p per share) for 2021.

Long Term Performance

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



Eskmuir Capital and Income Returns

In the charts above Eskmuir's relative returns and the component parts of return are shown. RPI growth since 1990 would have seen the initial £16m investment in Eskmuir grow to £44m (+£28m, +175%) Eskmuir's 2022 NAV is £187.0m (+£171.1m, +1,069%), in addition to this capital growth shareholders have been paid total dividends of £68.5m (+428%). Total return averaged 11.2%pa over 32 years.
The distributable reserves in the balance sheet (retained profits from prior years) total £106.2m which is equivalent to over 20 years of dividends at the 2022 level.

Economic Background
Both global and domestic inflationary pressures have resulted in the UK's CPI inflation increase over the last 12 months from 4.2% to 11.1%. Interest rates have been increased by the Bank of England and central banks globally as they attempt to control their domestic inflation. Increased interest rates, energy and food costs have combined with other cost increases to drive the cost of living crisis which is impacting consumer spending. The Russia / Ukraine conflict has had a material impact on global inflation driving energy and food price increases which account for broadly half of the current level of inflation. The high levels of employment and low productivity have added further economic challenges. Subdued and now negative GDP with the Purchase Managers Index (Composite) having been below 50 for a number of months suggests the UK economy is increasingly likely to go into recession. The economic turmoil around the "Mini Budget" under the brief Truss administration in late September saw the sterling exchange rate deteriorate rapidly and 10 year Gilt rates peaking at 4.6%. The installation of the new Chancellor and Prime Minister have stabilised the economy with 10 year Gilt rates back down at c. 3.5%. The macroeconomic headwinds are not likely to dissipate in the short-term however the Eskmuir business with its strong balance sheet and resilient portfolio income is well placed to navigate these challenges.

Objectives, Business Model and Strategy

The Eskmuir Board reviews the businesses objectives, model and strategy in detail at the September and March Board meetings.

Objective

Eskmuir is a long term investor in real estate and the custodian of investors' endowments with the objective of providing a sustainable and growing income stream whilst growing the capital in real terms over the medium-term, to benefit both current and future generations of shareholder / beneficiary. Eskmuir invests in a risk managed way observing clear Board Room guidance of "do not bet the farm".

Business Model

The Eskmuir business model, first adopted in 2006, has demonstrated its resilience navigating the challenges of the Global Financial Crisis, Brexit, the Covid-19 pandemic and the current economic uncertainty. The disciplined implementation of the business model through a clear dynamic strategy which is responsive to changing macro-economic factors and occupier needs has enabled attractive long-term performance.

The firm foundations of Eskmuir's business model are as follows:

Investment Management – Acquiring quality investment properties well, having completed a pre-purchase bespoke 5-year asset plan ensures the hidden potential to enhance rental income and, in turn, 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 profit crystallised by each investment sale serves to reduce leverage and add to the funds Eskmuir has to invest. The timing and pricing of buying and selling is crucial as is the sectors and nature of assets targeted. During the summer the market moved from a sellers' market to a buyers' market. Whilst this will make sales challenging it is anticipated there will be attractive opportunities to acquire assets.

Asset Management – Preparing a 5-year asset plan for each property enables the risks and opportunities each property exhibits to be rationalised into a clear plan of how value accretive initiatives may be implemented. Understanding occupiers' property needs and combining them with a detailed knowledge of local markets is key to releasing hidden value through enhancing the rental income and in turn capital value. Tenant retention and high occupancy rates mitigate void costs improving income returns. Asset management amplifies returns in strong markets and mitigates the impact of more challenging ones.

Financial Management – Eskmuir has a strong balance sheet which combines appropriate levels of equity, core debt (2047 Debentures) and strategic debt (NatWest revolving facility) from long-standing relationship partners. This structure is a fundamental part of Eskmuir's financial risk management, enabling banking covenants to be complied with should valuations soften, whilst providing the firepower to invest opportunistically at the right time in the cycle.

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 Limited Board convenes monthly. 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. Business risk is reviewed quarterly by the Eskmuir Board.

Fund Management – Eskmuir Properties Limited's long-term track record and provenance are an attractive platform from which to provide a real estate Fund Manager role to third parties. Eskmuir's actual track record as the Fund Manager of The Diversified Property Fund for Charities (DPFC) continues to grow. DPFC now has close to £100m of assets under management and is delivering on the target returns sought by investors who have now received a total return of 103% since launch in 2015. The revenues from this area of endeavour contribute materially to covering the overhead cost of the management team. It is anticipated Eskmuir's growing track-record will provide further opportunities.

Strategy

Eskmuir's Business Model is implemented through a clear dynamic strategy which is responsive to changing economic, social and occupier trends. Technology has enabled trends in remote working, online retailing and increased levels of consumer convenience. The challenging economic environment has seen consumers seek value as they contend with the cost of living crisis.

In the office sector, technology has enabled remote working for part of the week (hybrid) to become common place as businesses continue to embrace the technology platforms that were essential to their survival during the pandemic. The flexibility this provides is popular amongst employees. It is anticipated this trend will change how office space is used and see a reduced demand for office space as occupiers target; the best locations, flexibility and quality accommodation, in terms of specification and ESG standards. Secondary and tertiary office properties are likely to be suited to alternative uses. Generally, the office sector was not over supplied prior to the pandemic which combined with the pattern of lease events is likely to ensure this evolution is gradual. During the year, Eskmuir acquired 14-16 Queen Square, Bristol, a small suite office property in a prime location where there is scope to enhance its ESG credentials and crystallise the reversionary rents.

STRATEGIC REPORT (continued)

Strategy (continued)
The impact of the online retailing boom experienced during the pandemic has affected the retail and industrial warehouse markets in polar opposite ways. Internet sales as a percentage of the total retail sales stood at 19% pre-pandemic, peaking at almost 38% in January 2021 and since reducing to 26%, October 2022. Demand for physical stores has therefore reduced, increasing void rates and reducing rental levels which have in turn impacted investor sentiment and capitalisation rates.
This has been most noticeable in the high street and shopping centre subsectors. Out of town retail and food retail has faired better particularly the discount food subsector where the economic trends resulting in the cost-of-living crisis have supported Aldi, Lidl and Iceland's Food Warehouse expanding their store networks.

Whilst online retail sales volumes have come off their January 2021 peak the overall trend is increasing. This has seen online retailers' logistics operators seek large 100,000sqft plus distribution warehouse and smaller urban warehouse accommodation to satisfy consumers' ever increasing demand for convenience and faster delivery options. The 100,000sqft plus market was dominated by Amazon's rapid expansion of their warehouse footprint. As online retail sales have moderated, Amazon have reduced their take up which has impacted demand in this subsector and the 3% yields being achieved in this subsector have softened. The real estate fundamentals in the smaller unit multi-let urban industrial warehouse market have been more resilient. The depth of occupier demand has increased as the accommodation serves the traditional industrial occupiers, trade counter suppliers, the growing demand from logistics service providers and the move of supply chains from "just in time" to "just in case" as geopolitical uncertainty and Covid-19 has required businesses to revisit their globalised supply chains. The supply of accommodation in urban areas is constrained by; sites being lost to higher value alternative uses and build cost inflation making multi-let schemes less viable to develop. Constrained supply and increased demand have resulted in strong levels of rental growth with market rents exceeding the passing rents in most locations. Standard UK industrial assets have 12% rental growth forecast over the next five years during a period when a recession is likely. Whilst the multi-let urban industrial warehouse subsector is not immune to yields softening and short-term valuation volatility, as investor sentiment is impacted by rising interest rates, the subsectors fundamentals are aligned to Eskmuir's long-term objective of providing resilient and growing dividends. During the year Eskmuir acquired multi-let urban industrial warehouse estates in Gloucester and Hull where there is opportunity to crystallise the reversionary rents and physically improve the premises. Shortly after the year-end, contracts were exchanged to acquire a 70,000sqft multi-let industrial warehouse estate in Watford which has numerous opportunities to be asset managed to enhance its value.

Since 2015 Eskmuir has sold £241m of assets and acquired £136m reducing the portfolio LTV from 45% to 35% whilst increasing the rental income from £13.6m to £15.9m. Eskmuir therefore has significant capacity to invest opportunistically as we see softer yields and attractive pricing emerge. Eskmuir will target investing in sectors where the balance of supply and demand offers potential to grow the rental income to support the stated business objective of a sustainable and growing income stream. These market dynamics overlap with the current social, economic and occupier trends in the urban industrial warehouse, prime regional office and retail warehouse sectors.

Environmental, Social and Governance (ESG)

Eskmuir is fully committed to the protection of the environment, maximising social value across the portfolio and ensuring the highest level of governance across the business.

Our aim is to continually integrate ESG objectives into our business strategy to ensure continuous improvement in our ESG performance through responsible business and property management practices whilst considering the various Stakeholder interests and requirements.

The key components of our ESG policy include:

<u>Environmental</u>

- Eskmuir has set a target to reach Net Zero by 2040.
- Risk managing assets and the portfolio to ensure compliance with levels of environmental regulation. When refurbishing assets it is an opportunity to future proof them by enhancing the EPC rating above the minimum legal Minimum Energy Efficiency Standards (MEES). Eskmuir targets EPC B ratings in line with the MEES level anticipated in 2030.
- Tenant engagement to reduce energy consumption and improve energy efficiency, reduce water usage and minimise amount of waste generated.
- Ensure 100% of the centrally procured energy derives from renewables.
- Encourage our agents, suppliers and contractors to improve their own environmental performance through inclusion of commitments within contractual obligations.
- Encourage contractors to reuse materials and items, recycling when working on Eskmuir's behalf.

<u>Social</u>

- Anti-Slavery and no-child labour policies. This includes working with managing agents and consultants to ensure they have anti-slavery and no-child labour policies, and this feeds down to contractors.
- Commitment to maintaining a safe working environment.
- Commitment to ensuring Inclusivity & Diversity in the workplace and business practices.
- Having a proactive approach to Health & Wellbeing in the workplace, and collaboration with tenants, managing agents and contractors to ensure this is followed through to those properties in the portfolio.
- Where possible, and best-value considering the wider objectives, use local contractors for projects.

Environmental, Social and Governance (ESG) (continued)

Governance

• Report and audit our environmental performance to demonstrate accountability and improvements.
• Having ESG embedded within the business strategy.
• Ensuring a clear governance structure for the reporting of ESG, including an ESG Lead.
• Ensuring compliance with legislation in the conduct of our business along with continual review and improvement to our policies and processes.
• Investment & Asset Strategies that include ESG considerations.

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

As part of this commitment, since 2021, Eskmuir has participated in the Global Real Estate Sustainability Benchmark (GRESB). By using GRESB we have been able to identify ESG opportunities and areas for improvement. The aim is to continually improve Eskmuir's approach to responsible investment. 2022 saw ratings of GRESB 40 and 42 for Eskmuir Properties & Eskmuir Securities respectively, showing a year-on-year improvement of 35% and 36% respectively. Key areas of improvement have been highlighted and create opportunities to further develop as Eskmuir continues its trajectory towards the fund's peer average.

The Portfolio

The Eskmuir portfolio comprises 28 properties (2021: 26) with a total value of £296.8m (2021: £279.2m), average lot size is therefore c. £10.6m (2021: c. £10.7m).

The portfolio weighting by sector is: 52.1% industrial, 19.4% offices and 28.5% retail (2021: 51.4% industrial, 17.9% offices and 30.7% retail). The industrial warehouse weighting has increased slightly from 51% in 2021 to 52% in 2022 as industrial warehouse properties have been both acquired and disposed of during the year. The portfolio is located throughout the UK although a total of 63% is located in the South East, South West and East regions which tend to display stronger GVA (regional GDP). Businesses tend to perform well in regions where the economy is growing which supports strong occupier demand, lower voids and void costs, and importantly the potential to grow the rental levels. The Eskmuir vacancy rate was 9.2% at the end of September (2021: 8.9%). The MSCI All Property Monthly Index Vacancy Rate at that date was 9.5% (2021: 9.6%). 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.

A diverse occupier base is an important aspect of managing tenant specific risk. There are 250 tenancies (2021: 238) in the portfolio which has grown from 168 tenancies in 2020. The top 50 tenants account for 62% of the rent from the portfolio (2021: 68%). 83% 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 (2021: 77%). A diverse tenant base with strong financial covenants is a key fundamental to a resilient rental income stream to maintain and grow the dividends to investors.

Rent collection has been resilient with an average of 99.5% collected each quarter during the 2022 year (2021: 100%). Rent collection has normalised after the Covid-19 pandemic, as the usual rent collection measure we look to is the average collected 21 days after the quarter day which this year which was 90% up from 84% in 2021 and 78% in 2020. There are a number of structural characteristics of the portfolio which support the level of rent collection: the sector weightings, with 52% of the portfolio being industrial assets, the financial covenant quality with 84% of the top 50 tenants being classed as minimal or lower than average risk by D&B and the diversity of the occupier base with 250 tenancies. Additionally, rent collection is procedural at Eskmuir and the Asset Managers meet weekly with the Credit Controllers to ensure rents are collected promptly.

£28.1m of investment transactions were completed during the year (2021: £98.8m), £13.3m of sales and £14.8m of acquisitions. The £13.3m of sales contributed 23.4% of the Adjusted profit on ordinary activities before tax in the form of profit (over book value) on the sale of investment properties. The two properties sold this year were:

• Crick, Motorway Industrial Estate – This property was sold 18 months after it was acquired as part of the Lunar portfolio as its Asset Plan had been completed. The 11,000sqft of vacant accommodation had been refurbished and let during Eskmuir's ownership and it was sold for £5.6m, 4.35% NIY early in the year prior to the market softening.
• Poole, Poole Trade Park – Numerous lettings, lease renewals and rent reviews at this property during the period of ownership resulted in the value increasing from £4.5m at purchase to its sale for £7.7m (5.17% NIY). The sale was broadly online with the 2021 valuation therefore the profit was predominantly crystallised in the Balance Sheet.

The rental income from the sale properties was £0.7m. The three properties purchased during the year have a rental income of £0.9m resulting in a net rental income increase of £0.2m. The three properties purchased this year are:

• Gloucester, Corolin Trade Estate – a 40,000sqft multi-let industrial estate acquired for £3.5m, 5.4% NIY, 6.7%RY
• Hull, Medina Park - a 35,000sqft multi-let industrial estate acquired for £3.8m 5.2% NIY, 6.2%RY
• Bristol, 14-16 Queen Square - a 16,000sqft multi-let office building in a prime office location, acquired for £7.45m, 5.4% NIY, 6.1%RY

STRATEGIC REPORT (continued)

During the financial years 2015 to 2022 Eskmuir has seen a total of £377.3m of investment transactions (2021: £349.2m) and £241.0m of investment property sales (2021: £227.7m) following completing their asset plans. Over the same period £136.3m has been reinvested in acquisitions (2021: £121.5m), 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 35% providing Eskmuir with significant capacity to make tactical acquisitions opportunistically which embrace the long-term macro-economic and social trends. The rental income over this period has increased from £15.8m to £15.9m which reflects the nature of the assets which have been bought well and the asset management endeavour which has been applied to them. This investment transaction activity is supportive of Eskmuir's objective of delivering a sustainable and growing income stream to its investors whilst growing the capital in real terms.

Each property in the portfolio has a 5-year Asset Plan initially drafted pre-purchase. The plan rationalises the risks and opportunities and how to increase the rental income and in turn capital value. Once the plan is completed the asset is sold and the capital recycled into new purchases creating the future asset management pipeline. The profits crystallised on sales serve to enhance Eskmuir's balance sheet reducing leverage.

In October 2020 Eskmuir acquired the Lunar portfolio of 8 multi-let industrial estates for £45.15m. This has been a portfolio which has received a significant amount of Asset Management endeavour as each property's asset plan has been progressed. 47 transactions have been completed on 48% of the portfolio by floor area resulting in the rental income increasing from £2.85m to £3.25m with a current ERV of £3.75m. The void rate in the portfolio is 2.2% (MSCI Benchmark 9.5%) and the value of the portfolio has increased by £16.2m (35%) to £61.3m.

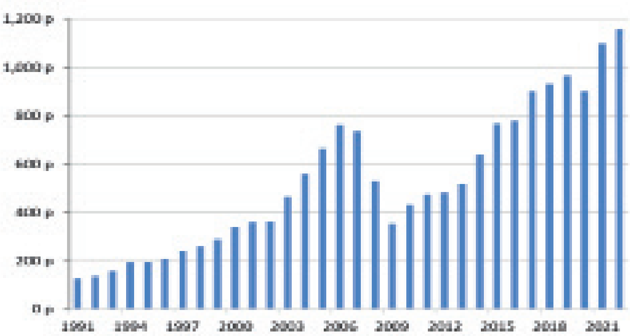
Additional asset management activity includes: Eskmuir's long leasehold interest at Watford Business Park which was for 86 years. A new 150 year lease has been completed with the freeholder Watford Borough Council creating a more liquid asset when Eskmuir comes to sell. Additionally, the 2023 break option in Arkay Windows lease at Watford was removed in exchange for a rent free period securing a 7 year term on 28% of the rental income. At Witham, Waterside Business Park the letting of Unit 5 completed at £10.60 per sqft a 23% premium to the best rent previously achieved on the park. There have been some significant rental increases on industrial assets in the portfolio where there is 11% of reversion waiting to be crystallised at lease events. Another example of the rental growth in the urban industrial warehouse market is at Harrow, Waverly Industrial Park. Unit 9 was let at a rental 33% higher that the ERV due to the acute lack of supply in the area. Whilst the office market is evolving with remote working becoming more popular, we have been successful in letting the last two office suites at St Albans, St Peter's House where a new highest rental of £36.30 per sqft has been achieved. Additionally, at Leatherhead, The Square we saw Marsh (insurance brokers) take a new lease of 9,000sqft direct rather than the assignment of an existing tenant's lease. However, a strata of the office occupier market is looking for convenient and flexible accommodation. At Basingstoke we fully fitted a floor of office accommodation ready for immediate occupation and swiftly secured a letting at a premium rent more than 50% higher than the unfitted accommodation.

Eskmuir's portfolio increased in value by 5% (2021: 9.5%) excluding acquisitions and disposals. The MSCI All Property Monthly Index saw capital values increase by 8.2% (2021: 7.9%) over the same period. The Eskmuir portfolio valuation increased as a result of rental growth and yield compression particularly in the urban industrial subsector for the first 9 months of the year. The last quarter of the financial year saw yields soften as investor sentiment wakened due to increasing interest rates and a weaker economy. The industrial assets increased in value this year by 10.7%, office assets were broadly neutral reducing in value by 0.1% and retail properties decreased by 1.2%.

Finance

The portfolio valuation increase has contributed to Shareholders' funds growth of 5.1% to £187.0m (1,155.4p per share) this year from £177.9m (1,099.4p per share) in 2021.

Net Asset Value per Share

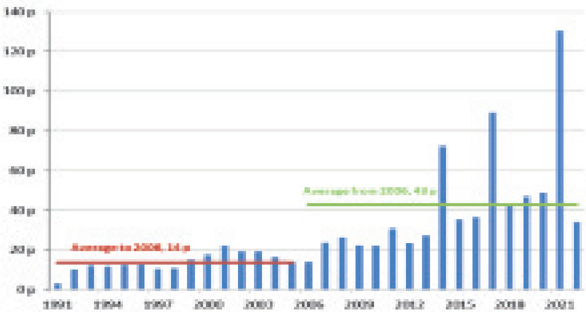


The graph to the left shows the NAV growth since Eskmuir was established in 1990. The NAV has increased from 125p per share (£16.2m) in 1990 to 1,156p per share (£187.1m) in 2022, an 825% increase. The NAV has increased year on year save for during the Global Financial Crisis and the 2020 Covid-19 pandemic 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 £106.1m 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 £91.8m (529%) net of the payment of dividends.

STRATEGIC REPORT (continued)

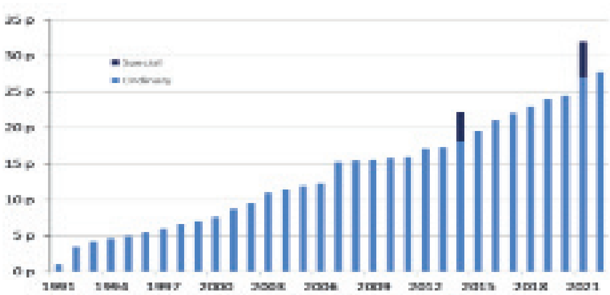
Eskmuir's 2022 profit before tax was £18.7m (2021: £45.8m). Profit after tax was £14.3m (2021: £36.2m). This has fed through to earnings per share of 88.4p (2021: 223.7p). Earnings per share excluding the valuation movements (Adjusted EPS) is often seen as a measure of how healthy a business's profit and loss account is. Rental income has been maintained this year compared to the last but Eskmuir's Adjusted EPS has reduced to 38p as a consequence of exceptionally profitable investment property sales in the prior year. EPS has averaged 43p per share since the 2006 adoption of the current asset management business model, as shown in the graph to the right.

Earnings per share (excluding revaluation movement)



Administrative expenses at £5.0m were lower than the £6.0m incurred in the prior year mainly due to the Remuneration Committee bonus awards for 2021.

Annual Dividend Per Share (Declared for year)



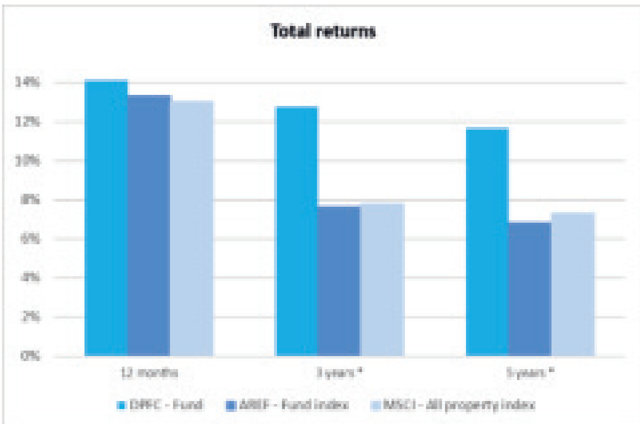
The total ordinary dividend for the 2022 Financial Year at 27.81p per share is
a 3% increase on last year's ordinary dividend. An interim dividend of 13.91p per share was paid on 30 September 2022 and the final dividend of 13.90p per share will be paid in March 2023. The dividend has grown by 120% since 2006.

An interim ordinary dividend of 13.91p per share was paid in September 2022 (2021: 13.50p). The Board has approved a final ordinary dividend of 13.91p per share (2021: 13.50p plus 5.00p special dividend). Excluding revaluation movements and deferred tax thereon the profit after tax for the year covers the total dividend by 1.4 times (2021: 4.1 times).

2022 is Eskmuir's 31st successive year of dividend growth with special dividends declared in 2014 and 2021, which can be seen in the graph above. The current asset management business model has been in place since 2006 during which time a total of £59m of dividends have been paid to shareholders.

The Diversified Property Fund for Charities

DPFC is managed by Eskmuir and targets providing its investors with a sustainable and growing distribution whilst maintaining and growing the capital values together with targeting an IRR of 7% - 9% over 5 years. DPFC is meeting and exceeding the targets set. The distribution paid during 2022 increased to 7.577p per unit (2021: 7.236p per unit) representing a total distribution yield for the year of 5.4% on opening NAV. The total return for the year was 14.1% (2021: 17.1%) with the capital value increasing by 8.7% (2021: 10.8%). The portfolio valuations increased during the first 9 months of the year but reduced by 5.7% as we saw the economic headwinds feed into investor sentiment. DPFC has outperformed its market benchmarks over 1, 3 and 5 years as shown in the chart below.



STRATEGIC REPORT (continued)

DPFC's clear investment strategy remains appropriate and relevant having demonstrated its resilience through the Covid-19 pandemic. DPFC invests in well located multi-let properties in the £3m - £12m strata of the market which are receptive to being asset managed. The portfolio is made up of 12 properties and 85 tenancies with a weighting of 64% in urban industrial assets. Tenant retention in the portfolio is good as evidenced by the low void rate of 5.1% at 30 September 2022 (MSCI 9.5%).

DPFC's seed investors have received a total return of 103% (11.8% annualised) formed of a 52% distribution and 51% capital growth, since inception in February 2015. DPFC is now a named participant in the MSCI AREF index and is also a participant in the GRESB benchmark.

Strategy and Outlook

The Eskmuir Board formally considers the Eskmuir business model and strategy twice a year and reviews the five-year business plan. Eskmuir business model has been in place since 2006 and has demonstrated its resilience through the Global Financial Crisis, Brexit, the Covid-19 Pandemic and the current world of economic uncertainty. The Eskmuir Board considers the business's clear business model and strategy, as outlined above, remain appropriate in serving Eskmuir's stated objectives.

2022 is the 31st successive year of dividend growth for Eskmuir. The 32.41p dividend paid (2.9% of opening NAV) is an increase of 25.9% on last year. The 2022 total dividend is 27.8p (2.5% of opening NAV). An interim dividend of 13.9p was paid in September 2022 and the final dividend of 13.90p will be paid in March 2023. When the 56p increase to NAV (5.1%) is added to the dividend paid, a total shareholder return of 8.0% (2021: 24.8%) is achieved. Over the last 5 years, a total shareholder return of 42.8% has now been delivered (49.9% adding back the effects of the debenture refinance premium exceptional item from the 2018 financial year). The dividend has been covered 1.4 times by profit after tax this year (2021: 4.1 times).

Eskmuir is a long-term investor in real estate. Whilst currently headwinds are resulting in yields softening and short-term valuation volatility, the Eskmuir business model, strategy and portfolio have demonstrated their resilience. The diverse tenant base with strong financial covenants occupying a portfolio weighted in the urban industrial warehouse sector which is demonstrating strong occupier demand and rental growth is comforting. Aligning the portfolio to long-term social, economic and occupier trends ensure investment in subsectors of the market where the supply and demand fundamentals favour landlords. The rent collection rate remains excellent and there is a long pipeline of asset management initiatives for the Eskmuir team to progress, enhancing income and in turn property capital values. Whilst profit accretive investment property sales may be a challenge in this environment the rental income supports the dividend and there will be attractive buying opportunities from businesses motivated to sell. Eskmuir's Balance Sheet is strong with £187.0m of shareholders' funds and a low LTV of 35% providing fire power to make purchases and continue to thrive over the long-term.

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
Date: 19 December 2022

ESKMUIR
PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 30 September 2022. 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 18 and show a profit before tax of £18.7m (2021: profit £45.8m). During the year the Company paid an interim dividend of £2.25m (13.91p per share) on 30 September 2022 (2021: £2.18m (13.5p per share)). The Board recommends a final dividend of 13.90p per share payable on 31 March 2023 (2021: 13.50p per share plus Special Dividend of 5.00p per share paid 31 March 2022). Total dividends paid during the financial year were 32.41p per share (2021: 25.74p 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 4 to 10 and the key performance indicators for the Group set out on page 2, 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 the current 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. Specific impacts are noted in the Going Concern review over the page.
- market risk - the uncertainty surrounding the UK economy at the current time with the Ukraine / Russia war, cost of living crisis, elevated inflation and interest rates and the combined impact on property values. This risk is mitigated at group level by maintaining leverage (LTV) within the Board approved range of 30%-50%.
- 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 3.

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 2022		30 September 2021	
	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* (retired with effect from 18 January 2022)	-	-	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 2022.

	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

REPORT OF THE DIRECTORS (continued)

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 £241m of proceeds (and generated £64m of profit on book value - £92m on historic cost) from investment property sales and had reinvested £136m, 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. Directors remain focused on actions that will minimise financial downside to Eskmuir, such actions include: Tight credit control of outstanding tenant arrears, consideration towards providing assistance mainly in the form of payment plans to those tenants needing help; Implementation of the 2022 investment property sale programme and repayment of bank debt with proceeds; Continuing to pursue the letting of vacant space; maintenance of low specific tenant risk by acquiring multi-let rather than single-let assets, there were 250 tenants across the portfolio at year end (2021: 238); IERMC meetings have been maintained throughout the year.

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. 2022 has been a strong year with attractive returns, leverage remains low (LTV 35%). Directors are continuing to proactively manage 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 £2.8m and £46.8m available to draw on the £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 maintains 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
Date: 19 December 2022

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

R J M Collier and N J Treble 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.

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 2022 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 29; and company notes A to L.

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 this regard.

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.

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

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.

Report on the audit of the financial statements (continued)

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.

We considered the nature of the group's industry and its control environment, and reviewed the group's documentation of their policies and procedures relating to fraud and compliance with laws and regulations. We also enquired of management about their own identification and assessment of the risks of irregularities.

We obtained an understanding of the legal and regulatory frameworks that the group operates in, and identified the key laws and regulations that:

- had a direct effect on the determination of material amounts and disclosures in the financial statements. These included UK Companies Act, pensions legislation and tax legislation; and
- do not have a direct effect on the financial statements but compliance with which may be fundamental to the group's ability to operate or to avoid a material penalty.

We discussed among the audit engagement team, including tax and real estate valuation specialists, regarding the opportunities and incentives that may exist within the organisation for fraud and how and where fraud might occur in the financial statements.

As a result of performing the above, we identified the greatest potential for fraud in the following areas, and our specific procedures performed to address it are described 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 valuation experts to challenge the key assumptions used in in the valuation against industry data, including those in respect of yields and expected rental values.

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 and external legal counsel 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.

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.

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

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, UK
Date: 19 December 2022

ESKMUIR
PROPERTIES LIMITED

CONSOLIDATED INCOME STATEMENT
For the year ended 30 September 2022

	Note	2022 £'000	2021 £'000
TURNOVER	**3**	15,931	15,778
Rents payable		(281)	(275)
		15,650	15,503
Administrative expenses		(5,031)	(6,014)
Provision for impairment of investments	**12**	(15)	-
Profit on disposal of investment properties		1,801	20,827
OPERATING PROFIT		12,405	30,316
Gains arising on revaluation of investment property	**11**	11,172	20,466
Interest receivable and similar income		2	1
Interest payable and similar charges	**5**	(4,900)	(5,023)
PROFIT BEFORE TAXATION	**4**	18,679	45,760
Tax on profit	**7**	(4,371)	(9,555)
Profit for the financial year		14,308	36,205
Basic and diluted earnings per share	**22**	88.4 p	223.7 p

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 LIMITED

CONSOLIDATED BALANCE SHEET
As at 30 September 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	**10**	23	19
Investment properties	**11**	297,571	279,895
Investments	**12**	888	903
		298,482	280,817
CURRENT ASSETS			
Debtors	**13**	12,142	5,097
Cash at bank and in hand		2,811	3,690
		14,953	8,787
CREDITORS: amounts falling due within one year	**14**	(8,643)	(9,357)
NET CURRENT ASSETS / (LIABILITIES)		6,310	(570)
TOTAL ASSETS LESS CURRENT LIABILITIES		304,792	280,247
CREDITORS: amounts falling due after more than one year	**15**	(107,784)	(94,874)
PROVISIONS FOR LIABILITIES	**16**	(10,045)	(7,473)
NET ASSETS		186,963	177,900
CAPITAL AND RESERVES			
Called up share capital	**18**	16,182	16,182
Profit and loss reserve		170,781	161,718
SHAREHOLDERS' FUNDS		186,963	177,900
NET ASSETS PER SHARE	**24**	1,155p	1,099p

These consolidated financial statements of Eskmuir Properties Limited, registered number 02512752, from page 18 to 36,were approved and authorised for issue by the Board of Directors on 8 December 2022.
Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director
Date: 19 December 2022

ESKMUIR PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2022

	Called up share capital (Note 18) £'000	Profit and loss reserve £'000	Total £'000
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**
Profit for the financial year	-	14,308	14,308
Total comprehensive income	-	14,308	14,308
Dividends paid during the year (Note 9)	-	(5,245)	(5,245)
Total movement in year	-	9,063	9,063
At 30 September 2022	**16,182**	**170,781**	**186,963**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 September 2022

	Note	2022 £'000	2021 £'000
Net cash inflow from operating activities	**19**	8,668	3,809
Cash flows from investing activities			
Investment property acquisitions		(15,793)	(48,074)
Investment property additions		(1,882)	(739)
Unquoted investment additions		-	(235)
Payments to acquire tangible fixed assets		(16)	(9)
Net proceeds on sale of investment properties		5,419	53,216
Net cash (outflow) / inflow from investing activities		(12,272)	4,159
Cash flows from financing activities			
Repayments of bank loan facility		(8,100)	(47,727)
Advances under bank loan facility		21,300	47,727
Costs of refinancing bank facility		(522)	-
Interest received		2	1
Interest paid		(4,710)	(4,863)
Equity dividends paid to shareholders		(5,245)	(4,165)
Net cash inflow / (outflow) used in financing activities		2,725	(9,027)
Decrease in cash and cash equivalents in the year		(879)	(1,059)
Cash and cash equivalents at beginning of the year		3,690	4,749
Cash and cash equivalents at end of the year		2,811	3,690

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 3.

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 11.

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.

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 11.

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 calculated 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 ⅓ % 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.

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.

1 ACCOUNTING POLICIES (continued)

f) Financial instruments (continued)

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.

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.

1 ACCOUNTING POLICIES (continued)

g) Impairment of assets (continued)

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.

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) Rental income

Rental income represents amounts receivable for the year exclusive of VAT. Surrender premiums received during the year are included in rental income.

Rental income billed in advance is recorded as deferred income and included as part of Creditors: amounts falling due within one year.

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.

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2022

1 ACCOUNTING POLICIES (continued)

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.

n) Valuation of equity investments

Eskmuir Investments Limited, 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 (2021: none).

Key sources of estimation uncertainty

Investment properties were revalued to fair value as at 30 September 2022 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).

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3 TURNOVER

	2022 £'000	2021 £'000
Rental income	15,405	15,349
Asset and fund management fee income	526	429
	15,931	15,778

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

4 PROFIT BEFORE TAXATION

Profit before taxation is stated after charging:	2022 £'000	2021 £'000
Depreciation of tangible fixed assets (see Note 10)	12	11
Impairment of tangible fixed asset investments (see Note 12)	15	-
Surplus on revaluation of Investment property (see Note 11)	11,172	20,466

The impairment of tangible fixed asset investments arose as a result of the liquidation of an investee company.

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

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

Fee payable to auditor for the auditing of the company's financial statements	67	51
Fees payable for the audit of the company's subsidiaries financial statements	83	63
Total audit fees	150	114
Taxation compliance services	17	76
Other compliance and advice services	33	33
Total non-audit fees	50	109
Total audit and non-audit fees	200	223

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2022 £'000	2021 £'000
Debenture interest	4,061	4,060
Bank loans and overdrafts	573	733
Amortisation of bank facility fees	225	225
Other interest payable	41	5
	4,900	5,023

During the year no interest expenses were capitalised into the carrying value of investment properties during the course of construction (2021: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2022

6 STAFF COSTS

Employee costs for the Company and its group, including Directors, during the year were as follows:	**2022 £'000**	**2021 £'000**
Wages and salaries	1,505	2,210
Social security costs	182	277
Pension costs	38	46
Healthcare	25	28
	1,750	2,561

	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.

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 2022 £'000	Total 2021 £'000
Executive						
P A Hodgson	470	-	39	7	516	829
J A Harding	257	-	20	4	281	412
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	9	-	-	-	9	30
N J Treble	55	-	-	-	55	55
	916	-	59	11	986	1,451

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.

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.

P A Hodgson Award	Vesting (payable the following January)	At 1 October 2021 £'000	Investment gain accrued in year £'000	Deferred award vesting in year £'000	Current year deferred award £'000	At 30 September 2022 £'000
2018 award	30 September 2021	-	-	-	-	-
2019 award	30 September 2022	-	-	-	-	-
2020 award	30 September 2023	-	-	-	-	-
2021 award	30 September 2024	88	-	-	-	88
2022 award	30 September 2025	-	-	-	-	-
		88	-	-	-	88

6 STAFF COSTS (continued)

J A Harding Award	Vesting (payable the following January)	At 1 October 2021 £'000	Investment gain accrued in year £'000	Deferred award vesting in year £'000	Current year deferred award £'000	At 30 September 2022 £'000
2018 award	30 September 2021	-	-	-	-	-
2019 award	30 September 2022	-	-	-	-	-
2020 award	30 September 2023	-	-	-	-	-
2021 award	30 September 2024	45	-	-	-	45
2022 award	30 September 2025	-	-	-	-	-
		45	-	-	-	45

Pensions

In addition to remuneration noted on the previous page, the Company makes contributions to Directors defined contribution pension schemes as follows:

	2022 £'000	2021 £'000
P A Hodgson	-	-
J A Harding	2	10
	2	10

7 TAX ON PROFIT

	2022 £'000	2021 £'000
Current Tax		
United Kingdom corporation tax at 19.0% (2021: 19.0%)	1,944	6,138
Adjustment in respect of prior periods	(145)	(55)
Total current tax charge	1,799	6,083
Deferred tax		
Origination and reversal of timing differences	342	(141)
Tax on revaluation surpluses	2,230	2,349
Effect of changes in tax rates	-	1,264
Total deferred tax charge - see Note 16	2,572	3,472
Total tax charge on profit	4,371	9,555

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

The main rate of corporation tax, as enacted during 2021, was increased from 19% to 25% from 1 April 2023. Deferred tax assets and liabilities were measured at 19% prior to 30 September 2021 and 25% from that date thereafter.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2022

7 TAX ON PROFIT (continued)

Factors affecting the tax charge for the current year

The differences between the total tax charge shown above and the amounts calculated by applying the standard rate of UK corporation tax to the profit before tax is as follows:

	2022 £'000	2021 £'000
Group profit before tax	18,679	45,760
Tax on Group profit at standard UK corporation tax rate of 19% (2021: 19%)	3,549	8,694
Effect of changes in tax rates (on deferred tax provision - 19% to 25%)	-	1,264
Tax on chargeable gains on sale	565	1,344
Tax on unrealised revaluation surpluses	107	(1,539)
Expenses not deductible for tax purposes	51	60
Release of deferred tax on capital allowances no longer capable of being reversed	(38)	(232)
Capital allowances in excess of depreciation	282	19
Adjustments to tax charge in respect of previous periods	(145)	(55)
Group total tax charge for the year	4,371	9,555

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:	2022 Per share	2022 £'000	2021 Per share	2021 £'000
Previous period final dividend	13.50p	2,185	12.24p	1,981
Previous period final dividend - Special	5.00p	809	-	-
Current period interim dividend	13.91p	2,251	13.50p	2,184
	32.41p	5,245	25.74p	4,165

The Board recommends a final ordinary dividend of 13.90p per share, £2.251m making a total ordinary dividend for the year of 27.81p, £4.500m (2021: 32.00p per share, £5.178m, including 5.00p Special Dividend).

10 TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 October 2021	81	161	242
Additions	2	14	16
At 30 September 2022	83	175	258
Accumulated Depreciation			
At 1 October 2021	79	144	223
Charge for the year	1	11	12
At 30 September 2022	80	155	235
Net book value			
At 30 September 2022	3	20	23
At 30 September 2021	2	17	19

No leased assets are included above.

11 INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2021	250,600	28,600	279,200
Acquisitions	15,793	-	15,793
Additions	887	995	1,882
Spreading of lease incentives	40	-	40
Disposals	(11,277)	-	(11,277)
Revaluation in year	9,122	2,050	11,172
At valuation at 30 September 2022	265,165	31,645	296,810
Head leases treated as finance leases on investment properties (See Note 23)	-	761	761
Total property value	265,165	32,406	297,571
At cost			
At 30 September 2022	207,052	12,886	219,938
At 30 September 2021	198,471	11,891	210,362

Investment properties were revalued to fair value as at 30 September 2022 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 2022 no interest was capitalised, (2021: £nil). A cumulative total of £823k of interest has been capitalised into the balance sheet (2021: £823k).

As set out in Note 3, property rents receivable during the year was £15.4m (2021: £15.3m). 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 £265,486,000 (2021: £279,895,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2022

12 INVESTMENTS

	£'000
Cost	
At 1 October 2021	2,110
Investment additions	-
At 30 September 2022	2,110
Provision for impairment	
At 1 October 2021	1,207
Provision during the year	15
At 30 September 2022	1,222
Net book value	
At 30 September 2022	888
At 30 September 2021	903

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	2022 £'000 Net book value	2021 £'000 Net book value
Vir2us Inc	Development & sale of cyber security systems	USA	707	707
Alvant Plc (formerly CMT Plc)	Development of new to the world metal composite	England & Wales	-	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	Algorithm derived measurement of transparent media	England & Wales	-	-
			888	903

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

	2022 £'000	2021 £'000
Trade debtors	1,904	2,301
Corporation tax recoverable	24	248
Other debtors	9,632	1,882
Prepayments	442	543
Accrued income	140	123
	12,142	5,097

Included within other debtors above are amounts:
- proceeds from sale of investment property of £7,659,000, received 31 October 2022 (2021: £nil).
- 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 £958,000 (2021: £604,000).
- held by property agents in respect of rent deposits. At the year end the balance outstanding was £937,000 (2021: £689,000).
- unamortised loan costs £nil (2021: £457,000).

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14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	942	1,464
Corporation tax	-	-
Other taxes and social security costs	1,434	1,251
Other creditors	1,280	908
Accruals	2,201	3,124
Deferred income	2,786	2,610
	8,643	9,357

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £'000	2021 £'000
Bank loan	12,827	-
Bond loan 4.255% 2047	94,196	94,179
Finance lease liabilities (Note 23)	761	695
	107,784	94,874

The bank loan facility, undrawn at the prior year end, is in the name of a subsidiary undertaking. The loan is secured on properties held by the subsidiary 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.

Borrowings are repayable as follows:

	2022 £'000	2021 £'000
Debenture loan		
More than ten years	94,196	94,179
Bank loan		
Between two and five years	12,827	-
	107,023	94,179

16 PROVISIONS FOR LIABILITIES

	2022 £'000	2021 £'000
Deferred taxation - amounts provided:		
At 1 October	7,473	4,001
Charge to consolidated income statement	2,572	3,472
At 30 September	10,045	7,473
Analysis of Deferred Tax balance		
Capital allowances in excess of depreciation	1,074	732
Capital gains assuming sale	8,971	6,741
	10,045	7,473

17 FINANCIAL INSTRUMENTS

The carrying values of the Group's financial assets and liabilities are summarised by category below:	2022 £'000	2021 £'000
Financial assets		
Measured at fair value through profit or loss:		
Cash at bank and in hand	2,811	3,690
Trade debtors	1,904	2,301
	4,715	5,991
Financial liabilities		
Measured at amortised cost:		
Trade creditors	942	1,464
Bond loan 4.255% 2047	94,196	94,179
Bank loan	12,827	-
	107,965	95,643

The Group's income, expense, gains and losses in respect of financial instruments are summarised below:	2022 £'000	2021 £'000
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	4,900	5,023
	4,900	5,023
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 22	Contracted interest rate at 30 Sept 21	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	SONIA	SONIA	2,811	-	-
Bank loan	SONIA plus 2.05%	SONIA plus 2.05%	-	(12,827)	-
4.255% Bonds	4.255%	4.255%	-	-	(94,196)

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 2022 would have been £38,000 lower (2021: £145,000 lower). This results from lowerfinancing 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.

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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 the 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 two and a half years until its maturity date of 31 March 2025. At 30 September 2022, the Group had drawn £12,827,000 (2021: £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 88% (2021: 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

	2022 £'000	2021 £'000
Authorised:		
64,773,414 ordinary shares of £1 each (2021: 64,773,414)	64,773	64,773
Called up, allotted and fully paid:		
16,182,085 ordinary shares of £1 each (2021: 16,182,085)	16,182	16,182

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

	2022 £'000	2021 £'000
Operating profit	12,405	30,316
Profit on disposal of investment properties	(1,801)	(20,827)
Depreciation of tangible fixed assets	12	11
Decrease / (increase) in debtors	390	(586)
(Decrease) / increase in creditors	(738)	1,956
Lease incentive adjustments	(40)	65
Provision for impairment of investments	15	-
Taxation paid	(1,575)	(7,126)
Net cash inflow from operating activities	8,668	3,809

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2022

20 ANALYSIS OF CHANGES IN NET DEBT

	2021 £'000	Cash flows £'000	Non-cash movements £'000	2022 £'000
Cash at bank and in hand	3,690	(879)	-	2,811
Debt due after more than one year	(94,874)	(13,200)	(83)	(108,157)
	(91,184)	(14,079)	(83)	(105,346)

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

	2022 £'000	2021 £'000
Decrease in cash in the year	(879)	(1,059)
Repayment under bank loan facility	8,100	47,727
Advances under bank loan facility	(21,300)	(47,727)
Total cash movements	(14,079)	(1,059)
Non-cash movements	(83)	(18)
Change in net debt	(14,162)	(1,077)
Net debt at 1 October	(91,184)	(90,107)
Net debt at 30 September	(105,346)	(91,184)

22 EARNINGS PER SHARE

		2022	2021
Basic and diluted earnings per share		88.4 p	223.7 p
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 for the year	**£'000**	14,308	36,205

23 FINANCIAL COMMITMENTS

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

	Land and Buildings	
	2022 £'000	2021 £'000
In less than one year	13,635	12,897
Between two and five years	30,267	30,860
In more than five years	5,244	8,022
	49,146	51,779

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23 FINANCIAL COMMITMENTS (continued)

	2022 £'000	2021 £'000
Capital Commitments contracted but not provided for are as follows:	-	-

At 30 September 2022 the Group was committed to making the following minimum future payments in respect of finance leases:

	Land and Buildings	
In less than one year	58	58
Between two and five years	231	231
In more than five years	5,424	5,482
	5,713	5,771
Less future finance charges	(4,952)	(5,076)
Net present value of finance leases recognised as liabilities	761	695

The minimum lease payments noted above relate to head rent payable on leasehold properties over the remaining 99 years (2021: 100 years) weighted average unexpired lease term.

24 NET ASSETS PER SHARE

Net asset value per share has been calculated on 16,182,085 (2021: 16,182,085) ordinary shares in issue at the year end and on net assets of £186,963,000 (2021: £177,900,000).

25 RELATED PARTY TRANSACTIONS

Eskmuir Asset Management Limited (EAM) and Eskmuir FM Limited (EFM), both wholly owned subsidiaries of the Company 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, the previous Bursar of that organisation (Mr Paul Warren) is a member of the Investment Advisory Board (IAB) of EAM. Fees payable to Clare College Cambridge were £nil for the year (2021: £10,000), £nil outstanding at the balance sheet date (2021: £2,500). Mr Warren received a fee of £10,000 for services to the IAB during the year, £2,500 of which was outstanding at the balance sheet date.

Services provided to DPFC totalled £350,480 (2021: £286,325) in EAM and £175,241 (2021: £143,163) in EFM. At the balance sheet date, a total of £140,154 (2021: £117,975) 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 costs of £6,822 on behalf of DPFC (2021: £6,822). The amount outstanding at the balance sheet date was £34,110 (2021: £27,288).

26 CONTINGENT LIABILITIES

There were no contingent liabilities noted at the year end (2021: 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 11.

29 POST BALANCE SHEET EVENTS

On 31 October 2022, Eskmuir Properties Limited completed on the sale of Poole Trade Park, Poole which was unconditionally exchanged before the year-end and, pursuant to accounting policy, was treated as a disposal in the 2022 financial year. Proceeds receivable were included in other debtors.

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COMPANY BALANCE SHEET
As at 30 September 2022

	Note	2022 £'000	2021 £'000
FIXED ASSETS			
Tangible fixed assets	**C**	22	17
Investment properties	**D**	160,766	159,677
Investments	**E**	10,100	10,100
		170,888	169,794
CURRENT ASSETS			
Debtors due in more than one year	**F**	96,817	-
Debtors due in less than one year	**F**	11,049	104,858
Cash at bank and in hand		1,711	2,347
		109,577	107,205
CREDITORS: amounts falling due within one year	**G**	(3,717)	(6,300)
NET CURRENT ASSETS		105,860	100,905
TOTAL ASSETS LESS CURRENT LIABILITIES		276,748	270,699
CREDITORS: amounts falling due after more than one year	**H**	(98,107)	(96,023)
PROVISIONS FOR LIABILITIES	**J**	(5,476)	(4,147)
NET ASSETS		173,165	170,529
CAPITAL AND RESERVES			
Called up share capital	**K**	16,182	16,182
Profit and loss reserve		156,983	154,347
SHAREHOLDERS' FUNDS		173,165	170,529
NET ASSETS PER SHARE		1,070p	1,054p

The Company has not set out its own income statement, as permitted by Companies Act 2006. The profit after tax for the year was £7,881,000 (2021: £34,893,000).

These financial statements of Eskmuir Properties Limited, registered number 02512752, on pages 37 to 38, were approved and authorised for issue by the Board of Directors on 8 December 2022.

Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director
Date: 19 December 2022

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PROPERTIES LIMITED

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2022

	Called up share capital £'000	Profit and loss reserve £'000	Total £'000
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**
Profit for the financial year	-	7,881	7,881
Total comprehensive income	-	7,881	7,881
Dividends paid during the year	-	(5,245)	(5,245)
Total movement in year	-	2,636	2,636
At 30 September 2022	**16,182**	**156,983**	**173,165**

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2022

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 £67,000 (2021: £51,000). 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 2021	81	157	238
Additions	2	16	18
At 30 September 2022	83	173	256
Accumulated Depreciation			
At 1 October 2021	78	143	221
Charge for the year	1	12	13
At 30 September 2022	79	155	234
Net book value			
At 30 September 2022	4	18	22
At 30 September 2021	3	14	17

No leased assets are included above.

D INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2021	135,791	23,850	159,641
Additions net of dilapidations receipts	405	942	1,347
Spreading of lease incentives	131	10	141
Disposals	(7,609)	-	(7,609)
Revaluation in year	5,412	1,798	7,210
At valuation at 30 September 2022	134,130	26,600	160,730
Head leases treated as finance leases on investment properties (See Note I)	-	36	36
Total property value	134,130	26,636	160,766
At cost			
At 30 September 2022	85,351	15,754	101,105
At 30 September 2021	91,141	14,813	105,954

Investment properties were revalued to fair value as at 30 September 2022 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.

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2022

Property rental income earned during the year was £8.3m (2021: £9.5m). 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 not 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 £143,805,000 (2021: £159,641,000).

E INVESTMENTS

	£'000
Cost	
At 1 October 2021 and 30 September 2022	10,100

Subsidiary undertakings:

Company name	Activity	Cost £	Shares held (All ordinary shares)	% owned
Eskmuir Asset Management Limited	Property asset management	1	1	100
Eskmuir FM Limited	Property fund management	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 Limited which is itself a wholly owned subsidiary of Eskmuir Asset Management Limited. All entities were incorporated in the United Kingdom and registered in England and Wales at the address outlined on page 3. Eskmuir Properties Limited is consolidated into the Eskmuir Group financial statements seen on pages 18-36, 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

	2022 £'000	2021 £'000
Amounts due in more than one year:		
Amounts due from subsidiary undertakings	96,817	-
Amounts due in less than one year:		
Amounts due from subsidiary undertakings	-	101,621
Trade debtors	1,224	1,561
Other debtors	8,745	675
Corporation tax	849	705
Prepayments and accrued income	231	296
	11,049	104,858

Amounts due from subsidiary undertakings are unsecured and bear interest quarterly at LIBOR plus 1.70% since 29 September 2016. On 9 December 2021 new loan agreements were entered into that varied: the interest rate to SONIA plus 2.05% from 30 September 2021; and deferred the repayment date from 31 January 2022 to 31 March 2025.

Balances as at the prior year end were impaired by £1,666,000 as a consequence of net liabilities in one subsidiary undertaking. The impairment was reduced by £95,000 in the current year and relates to one subsidiary undertaking. Impairments eliminate on consolidation.

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

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2022

Included within other debtors above are amounts:

- proceeds from sale of investment property of £7,659,000, received 31 October 2022 (2021: £nil).
- 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 £301,000 (2021: £262,000).

G CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2022 £'000	2021 £'000
Trade creditors	268	882
Amounts due to subsidiary undertakings	-	1,559
Other taxes and social security costs	755	778
Other creditors	519	422
Accruals	710	1,210
Deferred income	1,465	1,449
	3,717	6,300

Amounts due to subsidiary undertakings in the prior year were unsecured and accrued interest quarterly at LIBOR plus 1.70% since 29 September 2016. These intercompany facilities were due for repayment by 31 January 2022. As noted above, new loan agreements were signed on 9 December 2021, terms were varied as follows: the interest rate to SONIA plus 2.05% from 30 September 2021; and the repayment date was deferred from 31 January 2022 to 31 March 2025.

H CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2022 £'000	2021 £'000
Amounts due to subsidiary undertakings	98,071	95,987
Finance lease liabilities (Note I)	36	36
	98,107	96,023

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 Limited and Eskmuir (Thayer Street 2) Limited (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.

Amounts due to subsidiary undertakings

More than ten years	98,071	95,987

I FINANCIAL COMMITMENTS

At 30 September 2022 the Company was committed to receiving the following minimum future receipts in respect of operating leases:

	Land and Buildings	
	2022 £'000	2021 £'000
In less than one year	6,800	6,164
Between two and five years	14,215	15,928
In more than five years	2,521	4,064
	23,536	26,156

ESKMUIR PROPERTIES LIMITED

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2022

At 30 September 2022 the Company was committed to making the following minimum future payments in respect of finance leases:

	Land and Buildings	
	2022 £'000	2021 £'000
In less than one year	1	1
Between two and five years	6	6
In more than five years	1,251	1,254
	1,258	1,261
Less future finance charges	(1,222)	(1,225)
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 915 years (2021: 916 years) weighted average unexpired lease term.

Capital Commitments contracted for but not provided for are as follows:	-	-

J PROVISIONS FOR LIABILITIES AND CHARGES

Deferred taxation - amounts provided:	2022 £'000	2021 £'000
At 1 October	4,147	2,058
Charge to Company income statement	1,329	2,089
At 30 September	5,476	4,147

Analysis of Deferred Tax balance		
Capital allowances in excess of depreciation	400	2,057
Tax on revaluation surpluses	5,076	2,090
Short-term timing differences	-	-
	5,476	4,147

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 EVENTS

On 31 October 2022, Eskmuir Properties Limited completed on the sale of Poole Trade Park, Poole which was unconditionally exchanged before the year end and, pursuant to accounting policy, was treated as a disposal in the 2022 financial year. Proceeds receivable were included in other debtors.

On 16 December 2021, Eskmuir Securities Limited 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 LIMITED

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.

Adjusted EPS

Earnings per share excluding valuation movements.

Company Registration No. 02512752

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