ESKMUIR
PROPERTIES LIMITED

30 SEPTEMBER
2024

Annual Report and Consolidated Financial Statements

ESKMUIR
PROPERTIES LIMITED

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FINANCIAL HIGHLIGHTS

	2024	2023	% change
Turnover	£19.7m	£17.1m	15%
Profit / (loss) before tax	£5.7m	(£20.7m)	128%
Earnings / (loss) per share (see Note 22)	32.3p	(101.5p)	132%
Ordinary dividend paid per share	29.07p	28.22p	3%
Net assets per share	1,029p	1,026p	0.3%
TOTAL SHAREHOLDER RETURN	3.1%	(8.8%)	
i) Adjusted profit before tax	**£6.7m**	**£11.8m**	**(43%)**
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£6.8m**	**£21.6m**	**(69%)**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**42.0p**	**133.5p**	**(69%)**

	2024	2023	% change
Profit / (loss) before tax	£5.7m	(£20.7m)	
Adjustments: Deficit arising on revaluation of investment property	£1.0m	£32.5m	
i) Adjusted profit before tax	**£6.7m**	**£11.8m**	**(43%)**
Historic revaluation surplus before tax realised in the year	£0.1m	£9.8m	
ii) Adjusted profit before tax (including realised revaluation surpluses)	**£6.8m**	**£21.6m**	**(69%)**
iii) Adjusted profit before tax (including realised revaluation surpluses) per share	**42.0p**	**133.5p**	**(69%)**

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*	
N J Gregory*	
D E Laing* (retired 3 March 2024)	
W J Naunton* (appointed 4 April 2024)	
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
Broadfield Law UK LLP
DLA Piper UK LLP
Clyde & Co LLP

AUDITOR

Deloitte LLP
2 New Street Square
London
EC4A 3BZ

STRATEGIC REPORT

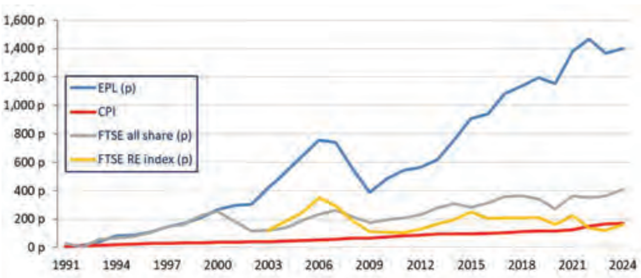
Eskmuir has had an industrious 2024 financial year. During Q1, Eskmuir's largest ever acquisition of the £60m Artemis portfolio completed, pivoting the portfolio further towards the performing multi-let urban industrial sector. The profitable sale of the Merchant Trade portfolio - properties whose five-year assets plans were completed - narrowly missed the financial year end by two weeks, providing capital proceeds to be recycled into additional acquisitions with attractive rental growth potential. This transactional activity increased the acquisitions and sales Eskmuir has completed since 2015, to £508m. Investment markets have been dominated by economic and geopolitical uncertainty, which coupled with the higher interest rates set to manage inflation, have subdued investor sentiment and investment volumes, with liquidity being most evident in the sectors aligned to the prevailing social, economic and occupier trends. The Eskmuir asset management strategy remains focussed on enhancing rental income and rental income growth, which in turn drives capital values. Eskmuir's 2024 financial year adds to its long-term track record, with the 3% increase in this year's dividend being Eskmuir's 33rd successive year of dividend growth. The 2024 financial year headlines include:

- **3.1% total Shareholder Return (2023: -8.8%) resulting in 21.1% total shareholder return over the last five years (2023: 24.6%)**
- **£5.7m Profit Before Tax including unrealised revaluation movements (2023: Loss £20.7m). £6.7m (4.0% of opening shareholders' funds) Profit Before Tax excluding unrealised revaluation movements**
- **29.50p per share Standard Dividend, 3.0% increase on 2023 and Eskmuir's 33rd successive year of dividend growth, 139.8% increase since 2006 (2023: 132.8% since 2006)**
- **£166.5m Shareholders Funds, 0.3% increase on 2023**
- **5.6% Total Property Return including profits on investment property sales (2023: -3.8%). 5.5% Total Property Return excluding disposals (2023: -6.2%) compares favourably to the +2.4% recorded by MSCI All Property Index benchmark**
- **Preferred sector weightings maintained, £60m of acquisitions, multi-let urban industrial portfolio weighting 62% (2023: 51%). Post year end, Eskmuir completed the Merchant Trade portfolio sale, three multi-let industrial estates for £27.8m (6.2% NIY), decreasing the portfolio weighting in this preferred sector to 60%**
- **Profitable investment management activity completed in the year: £0.5m disposals (4.5% NIY), crystallising £0.3m total profit on historic cost; £60.1m (NIY 6.2%) acquisition of Artemis portfolio of ten multi-let industrial estates. Just post year end (and so to be reflected in the 2025 report and financial statements) £27.8m (6.2% NIY, £6.7m profit over historic cost) disposal of Merchant Trade portfolio of three multi-let industrial properties, contracts exchanged 16 October 2024, sale completed 30 October 2024**
- **Rent collection, an average of 99.1% was collected each quarter during the 2024 year (2023: 99.3%)**

The Eskmuir Board consider adjusted profit before tax (including realised revaluation surpluses) - which ignores unrealised revaluation movements and provisions against carrying value of investments - to be a good measure of the realised results of the business in any single year. Adjusted profit before tax (including realised revaluation surpluses) for the current year was £6.8m (42.0p per share) compared to £21.6m (133.5p per share) for 2023 which included the very profitable Watford Business Park sale.

Long-Term Performance

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



Eskmuir Capital and Income Returns

The above charts show Eskmuir's relative returns and the component parts of total return. CPI growth since 1990 would have seen the initial £16.2m investment in Eskmuir grow to £38.3m (+£22.1m, +137%). Eskmuir's 2024 NAV is £166.5m (+£150.3m, +929%); in addition to this capital growth, shareholders have been paid total dividends of £77.8m (+481%). Total return has averaged 10.4% pa over 34 years.

The distributable reserves in the balance sheet (retained profits from prior years) total £120.7m, which is equivalent to over 25 years of dividends at the 2024 level.

STRATEGIC REPORT (continued)

Economic Background

The 2024 financial year has seen heightened geopolitical and economic uncertainty. The conflicts in Ukraine and the Middle East continue and we have seen general elections across the globe, with those in the UK and USA being of specific note to the UK economy and real estate sector. The end of the 2023 calendar year saw the UK economy in a brief technical recession, however, the outlook is currently more positive with improved GDP, the PMI (composite) having been above 50 since November, inflation back under control and the Bank of England's Monetary Policy Committee now having cut the base rate twice to 4.75%, as it balances supporting economic growth with keeping inflation at or close to its 2% target. The Labour Government's first Budget in October is widely thought to have added inflationary pressure to the economy, as are the policies anticipated with Donald Trump's second term as President of the USA. However, the Eskmuir Business Model has consistently demonstrated its resilience in challenging economic environments over the long-term, navigating the Global Financial Crisis, Brexit, Covid and the high inflation / high interest rate period more recently.

Eskmuir's business model has been devised to deliver on the long-term objectives set of a sustainable and growing income stream whilst growing the capital in real terms over the medium/long-term, to benefit current and future generations of shareholders and beneficiaries. The business model is a constant in providing a firm footing from which to develop a dynamic strategy, whilst the changing social, economic and occupier trends are acknowledged as aligning the portfolio with technology, Ecommerce, convenience, remote working and ESG. The Eskmuir business model's foundations are:

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 are the sectors and nature of assets targeted. Targeting well located properties in locations where tenants need and want to be, ensures a ready supply of tenant demand to support rental growth.

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 income and 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, that enables 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 between Board meetings. 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 in managing The Diversified Property Fund for Charities (DPFC) continues to grow. DPFC is delivering on the target returns sought by investors, who have now received a total return of 107% since launch in 2015. DPFC is the best performing fund for charity investors in the AREF benchmark. The revenues from this area of endeavour contribute materially, to covering the overhead cost of the management team. It is anticipated that Eskmuir's growing track-record will provide further opportunities.

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 boardroom guidance of "do not bet the farm".

Business Model

First adopted in 2006, Eskmuir's current business model has demonstrated its resilience in 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.

Strategy

Eskmuir's strategy is clear in aligning the portfolio to changing economic, social and occupier trends and the sub-sectors where they are having a positive impact. Technology has enabled trends in remote working, Ecommerce, consumer convenience and ESG. Subdued economic performance, high inflation and high interest rates have all fed into the cost of living, with consumers being increasingly cost conscious, influencing their behaviours and the demands they are putting on retailers and service providers. The growth in the urban population in the UK, is introducing higher value alternative uses to urban sites, displacing traditional uses and occupiers together with introducing supply and demand imbalances. Real estate investments are capitalised income streams from occupiers. Ensuring occupier behaviours and trends are shaping Eskmuir's investment strategy, is crucial to selecting the sub-sectors of the real estate market Eskmuir targets.

Ecommerce has been the technological advancement which has driven a structural change to the retail sector. Internet sales as a percentage of total retail sales stood at 19% pre-pandemic, peaking at over 30% during the pandemic in 2021 and reducing to broadly 26% in 2022. However, online sales are growing at pre-pandemic levels again and expected to be over 29% by 2028. This has seen retailers respond to reduced consumer demand for physical stores by reducing their physical store portfolios with high street and shopping centre rents being rebased due to an oversupply. Low occupational demand has reduced investor sentiment, adversely impacting yields, values and liquidity. However, Ecommerce and convenience are trends positively shaping occupier demand in the retail warehouse sub-sector. These stores offer consumers convenience and fit within the multi-channel retailing model, offering click and collect and distribution capacity. Consumers seeking value are generating demand for discount retailers, with the discount food retailers currently expanding their physical store portfolios extensively, a trend evident in the Eskmuir portfolio.

Technological and social change are impacting the office market through changing occupational demand. Technological developments have enabled remote working, introducing a social trend for hybrid / flexible working patterns. Occupiers are revisiting how they use offices and wish to occupy better quality buildings, to encourage employees into the office. Investors are following occupiers, targeting the better quality buildings, where yields have stabilised and there is a level of liquidity. However, investor sentiment for offices reflects concerns over occupational demand and asset pricing includes discounts, reflecting the cost of meeting the ESG legislation (MEES), requiring landlords to enhance the Energy Performance Certification. These trends are polarising the office market between the best quality properties, where tenants want to locate and consequently landlords want to invest and secondary / tertiary buildings, where values have softened to levels enabling alternative uses.

The increase in online sales has been a positive impact on the industrial sector, which has seen heightened demand from a very diverse mix of modern industrial space users including logistics, trade counters, storage, quasi-offices and online distribution businesses to name but a few. The larger 100,000sqft plus distribution logistic sector saw rapid expansion, as occupiers reacted to the boom in online sales during the pandemic, the resultant oversupply of developments are gradually being absorbed by the market. The scale and risk profile of these assets is not suited to the Eskmuir portfolio, however multi-let urban industrial warehouse assets are. As urban populations grow and the demand from higher value alternative uses for industrial sites increases, the supply of industrial units is reducing. The viability of new developments of estates of sub 20,000sqft units in urban areas is challenging, due to build cost inflation and land supply. The constrained supply of accommodation and the increased demand, from a broader occupier base of modern users which need to locate close to consumers to meet their ever increasing demands for convenience, is feeding into attractive levels of rental growth from a diverse occupier base. The fundamentals of the multi-let urban industrial warehouse sub-sector are robust and aligned to the long-term investment objectives set for the Eskmuir business of delivering sustainable and growing dividends, whilst growing the capital value in real terms. The Artemis portfolio acquisition completing in Q1 saw the portfolio pivoted further towards this sub-sector, with a portfolio weighted 62% in multi-let urban industrial assets and 291 tenants.

Eskmuir has completed on sale and acquisition transactions totalling £480.0m since 2015 (2023: £419.4m). £275.2m sales (2023: £274.8m) and £204.8m acquisitions (2023: £144.6m). Portfolio LTV at 45% is unchanged from 2015 but turnover has increased from £13.6m to £19.7m and the investment property portfolio value has increased in value from £233.5m in 2015 to £314.5m in 2024.

Following the post year end completion of the sale of the Merchant Trade portfolio on 30 October 2024 (for proceeds of £27.8m, which allowed for a loan repayment subsequently reducing LTV to 40%), Eskmuir had significant additional capacity to recycle the profits from disposals into purchasing assets in sectors with the potential 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 multi-let urban industrial warehouse sub-sector.

Environmental, Social and Governance (ESG)

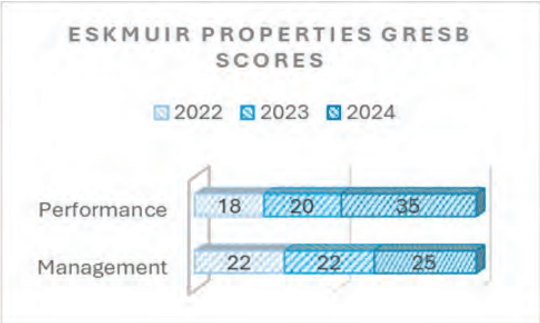
Eskmuir is fully committed to the protection of the environment, maximising social value across the portfolio and ensuring the highest level of governance across the business. Our aim is to continually integrate ESG objectives into our business strategy and ensure improvement in our ESG performance through responsible business and asset management practices, whilst considering the various stakeholder interests and requirements.

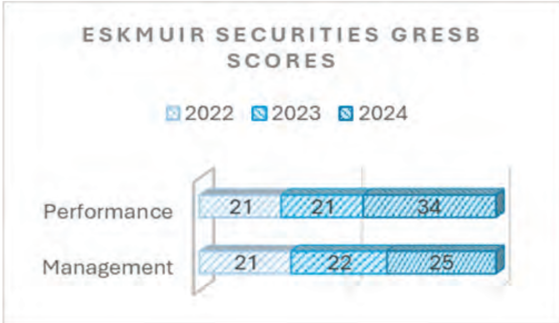
A key ESG objective at Eskmuir, is to annually report to GRESB (Global Real Estate Sustainability Benchmark) and improve scoring into future years. In 2024, Eskmuir Properties Limited received a score of 60 out of 100, and Eskmuir Securities Limited 59 out of 100, achieving a significant improvement against the 2023 scores of 43.

STRATEGIC REPORT (continued)

Strategy (continued)

The year-on-year scoring split between Performance & Management Components since Eskmuir's participation commenced between years is:





The annual results from the GRESB submission assist in identifying further ESG opportunities to action and contribute towards the improvement of our strategy towards net zero carbon by 2040. This is an important commitment for Eskmuir, and GRESB will support us in measuring our ESG performance against a global benchmark and peers to Eskmuir.

To enhance this score and, continue on the trajectory to achieving year-on-year improvements in the GRESB scoring, Eskmuir has set a target GRESB score of 65 plus and achieving a two-star rating, in the 2025 results. Working with EVORA, as our ESG consultant and the SIERA ESG platform, we have seen an improvement under the performance section of the GRESB submission largely due to the coverage of occupier energy usage data. For the 2023 dataset, Eskmuir has improved coverage significantly compared to the 2022 dataset, with the following being collected and reported for each main property owning company in the group (area/time coverage):

	Eskmuir Properties Limited Coverage (increase from 2022 coverage)	Eskmuir Securities Limited Coverage (increase from 2022 coverage)
Energy	76% (+65%)	68% (+61%)
GHG Emissions	88% (+84%)	84% (+72%)
Water	12% (+8%)	6% (+6%)
Waste	40% (+35%)	42% (+32%)

Alongside the implementation of a data collection platform, we have a roadmap to continue to achieve our ESG objectives, which is reviewed and updated periodically.

Eskmuir is committed to the delivery of ESG enhancements across the portfolio in a functional way, continuing to offer well-managed sustainable properties, combining occupier requirements and investor demands. Sustainability is a journey, and in an ever-changing market Eskmuir, as a business, has the flexibility to respond as new practices emerge, future-proofing the business and the assets under management.

Components of our ESG policy and initiatives undertaken include:

Environmental

Net Carbon Zero: Eskmuir has set a target to reach Net Zero by 2040. Accurate data collection and transparent reporting are key to reaching our goal of reducing carbon emissions across the group and reaching the 2040 target. The implementation of the data collection and analysis program for the fund, using the SIERA ESG platform, will assist in producing the Scope 1, 2 and 3 emissions data. With ongoing access to the transparent and up-to-date consumption dataset, we can take control of the Fund's associated carbon emissions with integrity and strategically use this insight to direct and impact the future group strategy. The data platform will also assist in considering the impact the physical improvements will have on achieving Net Zero on an asset-by-asset basis. On an asset level, a Net Zero audit has been undertaken at Queens Square, Bristol to look at the proposed opportunities for the building to approach an operational Net Carbon Zero and timing considerations.

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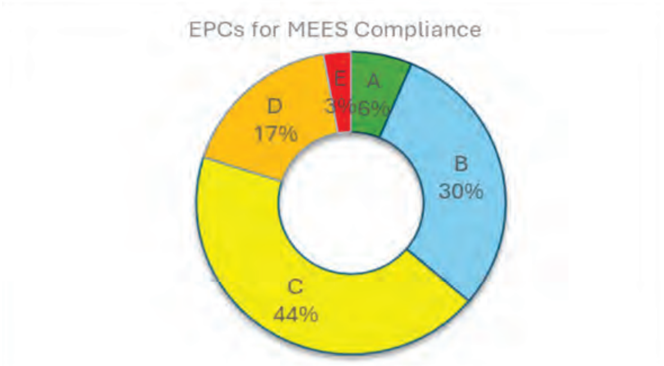
STRATEGIC REPORT (continued)

Environmental (continued)

Data Collection: A data collection and analysis program for the assets within the group has been implemented. During the financial year, the Eskmuir and SIERA Teams have worked to onboard asset meter information onto the SIERA platform in order to collate utility consumption data digitally. This consumption data has been collated and analysed by the real estate industry recognised SIERA+ ESG data platform. This resulted in coverage of 76%, and 68%, for Eskmuir Properties Limited and Eskmuir Securities Limited respectively, being achieved for the GRESB reporting. The platform will enable Eskmuir to measure energy consumption and access live data, which can be analysed and then used to shape our building operating decisions. A strategy has been put in place to increase the collection of waste and water data.

Environmental Regulation: Management of the portfolio so it is compliant with all levels of environmental regulation. Considering the proposed changes to Minimum Energy Efficiency Standards (MEES) (a minimum EPC C in April 2027, and EPC B in April 2030), a proactive approach is being taken to future-proof the portfolio. Refurbishments, lease events, and wider tenant engagement are all being used to enhance the EPC rating of assets, with an EPC B rating targeted in line with the MEES level anticipated by 2030.



All the assets within the scope of the Minimum Energy Efficiency Standards (MEES) are compliant with the current regulation. The 23/24 financial year saw progress towards compliance with the proposed changes with 80% of the assets (by floor area) MEES 2027 compliant, improving from 70% (September 2023), and 36% (by area) is 2030 compliant, improving from 25%.

Refurbishments: Sustainable refurbishment works are considered for all projects. During the year end 2024, design-led refurbishments have incorporated energy efficiency works. Projects include the installation of LEDs with PIR controls and replacement of gas boilers with electric wall heaters and air-conditioning and point of source water heaters during the refurbishments of units at Waverley Industrial Estate, Harrow and Stacey Bushes, Milton Keynes, improving the EPCs to a B Rating (previously C & D Ratings). At Peterborough, EV charging points have been installed as part of the refurbishment of the units.

Renewable Energy: 100% of landlord procured energy continues to be from renewable sources. Consultants have undertaken a viability assessment for the installation of Solar PV Panels across the portfolio to consider the feasibility and funding opportunities for on-site renewables, given the portfolio composition. Consideration is being given to the implementation of on-site renewables.

Tenant Engagement: Collaboration with tenants to support them to meet their own sustainability goals and assist in reducing their energy and water consumption, improve energy efficiency and minimise amount of waste generated across the portfolio. Through tenant engagement at Baron Avenue, Kettering and Kingfisher Business Park, Bootle works have been undertaken including removing gas heaters and installation of LEDs to improve the EPC Ratings of the units to minimum C Ratings. Consent has been granted to tenants at Basingstoke, to install EV charging points, outside of their demise, and as part of the refurbishment at Peterborough EV charging points were installed to assist the tenants in their transition towards zero emission driving.

Contractor Appointment: Encourage our agents, suppliers, and contractors to improve their own environmental performance, reducing their environmental impact and risk particularly with regards to energy and water consumption, GHG emissions and waste management, through the inclusion of commitments within contractual obligations and code of practices.

Green Leases: The precedent lease for Eskmuir includes landlord and tenant commitments to environmental performance, considering this when undertaking alterations and sharing environmental data.

Acquisitions: The due diligence process for Eskmuir includes a review of environmental audits, energy performance, biodiversity, building components and occupiers covenant and use. These are utilised to consider the environmental risks of the asset and the costs to mitigate and de-risk the asset from a practical point of view. The due diligence of the Artemis portfolio included a review of the audits and considered the factors highlighted, and the financial implications as part of early consideration of the acquisition.

STRATEGIC REPORT (continued)

Social

Health & Safety: A strong commitment to maintaining a safe working environment. There are robust policies and procedures in place and an overarching no-compromise approach to health & safety issues ensuring the latest safety regulations are followed. All the Eskmuir employees are required to promote Eskmuir's Health and Safety objectives which extend to assets, contractors and communities surrounding the group's assets. Eskmuir actively invest in the safety and well-being of its staff. Supporting this policy, during 2024 all Eskmuir staff members undertook Emergency First Aid at Work Course.

Inclusivity & Diversity: The group has a commitment to ensuring Inclusivity & Diversity in the workplace and business practices to promote equal opportunities to encourage a diverse workforce that is representative of today's society. Action will be taken to ensure that no individual suffers unlawful discrimination directly or indirectly with a continual review of policies. It is expected that all third parties engaged by the group, comply with diversity and anti-discrimination laws as a minimum.

Health & Wellbeing: Having a proactive approach to Health & Wellbeing in the workplace. The respondents of the Staff Engagement Survey stated they would recommend Eskmuir as a good place to work and is a group which promotes employee wellbeing and a positive work/life balance. Through collaboration with tenants, managing agents and contractors, this is followed through to those properties in the portfolio.

The refurbishment of the common parts of Queens Square, Bristol undertaken during financial year end 2024 includes the reconfiguration and refurbishment to the shared WCs, accessible WCs and showers and installation of additional basement cycle storage and changing/drying facilities, to improve the tenant experience along with the installation of LEDs in the common parts lighting, to improve the energy efficiency of the building.

Modern-Slavery and No-Child labour policies: The group has anti-slavery and No-Child labour policies through which it is ensured no children and only individuals freely choosing employment undertake work in connection with Eskmuir. This includes working with managing agents and consultants to ensure compliance with all laws and regulations regarding modern slavery and no child labour being used. Managing Agents have their own Social, Ethical and Environmental Procurement Guidelines which ensure the above policies are met and in addition to these policies the guidelines encourage contractors to pay their employees a wage that exceeds the National Minimum Wage and Living wage.

Communities: Eskmuir is aware of the impact assets can have on their local communities and economy. At The Grosvenor Centre, Macclesfield initiatives include offering flexible short-term leases to new or existing small business and local businesses tailored to each occupier's needs.

Acquisitions: the acquisition process includes a review of the social impact of an asset including relevant comments on travel, crime, and social inclusion as part of the due diligence surveys. This includes a review on Health Safety & Wellbeing of occupiers and users of an asset as part of the surveys undertaken. As part of the investment strategy, Eskmuir will only invest in assets which are consistent with the reputation of our stakeholders. Accordingly, Eskmuir would not acquire properties, or subsequently let units to occupiers where there is an immoral use.

Charity Support: Eskmuir supports local charities and organisations through financial support and staff time, including those charities being supported by tenants with a fund being made available each year for charitable donations. Additionally, employees are given the opportunity to nominate registered charities for support from this fund.

Contractors: Where possible, and best-value considering the wider objectives, local contractors are used for projects. Managing agents employed by the fund also have their own policies to support local communities and SMEs, utilising local contractors directly or via suppliers and have a pro-active approach in offering local businesses the opportunity to compete for work and for local employees to apply for jobs.

Governance

Governance & Reporting: Eskmuir as a business has a clear and transparent governance structure. This includes a clear structure for the reporting of ESG, with a dedicated ESG section within the periodic board reports, where updates and actions are reported. This provides the opportunity to report and challenge our environmental and social performance, to demonstrate accountability and improvements.

Compliance: Eskmuir is required to comply with regulatory compliance including the Bribery Act 2010, the Money Laundering Regulations, and all other industry rules or legislative requirements, and we ensure that we work within the legal requirements applicable to the business and industry and appropriate staff training is undertaken.

Policies: Internal practices and policies are an integral part of corporate decision making and legal compliance. A review and improvement of Eskmuir's policies and processes is undertaken periodically to reflect updated market practice. For example, the information security policy was extended to cover ongoing IT Security awareness training during the financial year.

STRATEGIC REPORT (continued)

Risk Management: The Eskmuir structure includes a risk management committee. The committee considers the impact on the potential risks to the business including physical, climate, economic risks and the impact on the business strategy, which is reported into the Eskmuir Board. Risks are fully considered at each stage of the asset lifecycle and are regularly evaluated and improved through reviews as well as reported and discussed as part of the Board reporting process. Each asset within the portfolio is subject to a bespoke five-year asset plan, setting out a route map to deliver performance, including ESG credentials, investor objectives and risk factors. These asset plans are reviewed and updated annually, to ensure they are reflective of the current position of each of the assets. Key business risks and mitigants are noted in the Directors' Report.

Incident Monitoring & Reporting: There is a clear process for monitoring and reporting any incidents, be it ESG incidents or otherwise, at assets including investigation, monitoring, and reporting of all incidents. Any breaches are reported through the group's managing agents to asset managers and the Board. There have been no ESG incidents during the financial year.

The Eskmuir business and the management team are committed to meeting these objectives and this is demonstrated by the systems, processes and practices adopted. ESG actions and performance will continue to be disclosed, to highlight the progress and efforts being made. ESG is a strategic objective for Eskmuir, with a sustainable approach to the business and portfolio being adopted, not just because it is the right thing to do, but because it makes good business sense.

The Portfolio

The Eskmuir portfolio comprises 37 properties (2023: 26) with a total value of £314.5m (2023: £249.6m), average lot size is therefore c.£8.5m (2023: c.£9.6m). The portfolio weighting by sector is: 62% industrial, 14% offices and 24% retail (2023: 51% industrial, 19% offices and 30% retail).

As assets are acquired and disposed of, the portfolio weighting will fluctuate whilst maintaining a bias towards the performing sectors. The industrial weighting has reduced marginally with the post year end sale of the Merchant Trade portfolio to 52%. Tenants' 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 level of rental income. The portfolio is 69% located in the South East, South West and East regions, which tend to display stronger GVA (regional GDP). The Eskmuir Vacancy Rate was 11.98% at the end of September 2024 (2023: 9.25%). The MSCI All Property Monthly Index Vacancy Rate at that date was 10.6% (2023: 10.6%). A number of units are under offer to occupiers which, if completed, would reduce the Vacancy Rate to 8.02%.

An important part of managing tenant specific risk in the portfolio, is Eskmuir's diverse occupier base. There are 291 tenancies (2023: 237) in the portfolio, which has increased from 168 tenancies in 2020. The top 50 tenants account for 59% of the rent from the portfolio (2023: 65%). 87% of this rental income is from tenants with a Dun & Bradstreet (D&B) risk rating of "minimal", "lower than average" or "partnership," suggesting a reliable and sustainable rental income stream (2023: 86%). The balance of the portfolio has a very diverse tenant base, with 241 tenants having an average rental of £33,000pa. 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 is procedural at Eskmuir, with the asset managers meeting weekly with the credit controllers, to ensure rents are collected promptly. Rent collection has been an average of 99.1% each quarter during the 2024 year (2023: 99.3%). The usual rent collection measure we look to, is the average collected 21 days after the quarter day, which was 96% up from 94% in 2023 and the long-term average of 94%. The characteristics of the portfolio structurally support the level of rent collection and include sector weightings, with 62% of the portfolio being industrial assets, the financial covenant quality with 81% 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 291 tenancies.

£60.6m of investment transactions were completed during the year (2023: £42.2m). £0.5m of sales (long lease premium for Unit 5, Basingstoke) and £60.1m of acquisitions (Artemis portfolio of ten multi-let industrial assets). Post year end, unconditional contracts were exchanged on 16 October 2024 for the disposal of the Merchant Trade portfolio, comprising three multi-let industrial assets. The sale completed 30 October 2024. The sale realised procceeds of £27.8m and a profit over historic cost of £6.7m. Proceeds applied to debt repayment saw LTV reduce to 40%.

Delivering on the five-year Asset Plan for each property has enabled Eskmuir to meet its objectives of delivering a sustainable and growing income stream to its investors, whilst growing the capital in real terms as demonstrated by the NAV and dividend graphs in the Finance section of this report.

Turnover increased by £2.5m (14.9%) from £17.1m to £19.7m during the year, as a result of the net impacts of acquisitions (+£3.8m), disposals (-£2.0m) and lease event activity (+£0.8m). Eskmuir's asset management strategy focuses on rental income. On standing investments for the year, the rental income has increased by 5.7%. (2023: 1.0%).

Property values in 2022 and 2023 corrected sharply with the MSCI All Property Index seeing capital values reduce by 27.2%, peak to trough. Eskmuir's portfolio saw values decline by 10.8%, this reduced impact was largely due to Eskmuir's portfolio weighting and the asset management endeavour enhancing the rental income. The Eskmuir portfolio saw valuations increase by 0.79% in 2024 on assets held throughout the year. Additionally, the Artemis portfolio increased in value by 5%.

STRATEGIC REPORT (continued)

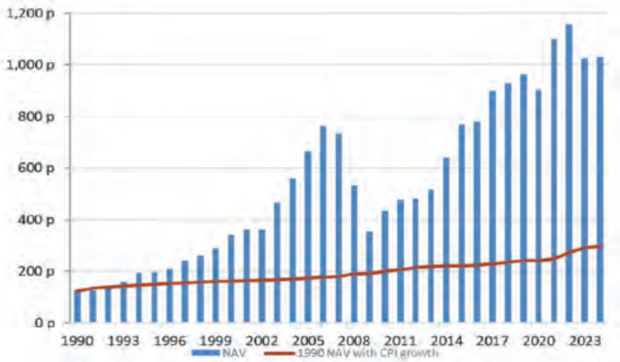
The MSCI All Property Monthly Index saw capital values decrease by 3.1% (2023: 18.2%) over the same period. The Eskmuir portfolio valuation outperformance of the MSCI All Property Index, was due to rental growth and asset management on the urban industrial warehouse assets. The industrial warehouse assets in the portfolio increased in value this year by 3.72%, which is stronger than those in the MSCI All Property Index, which saw a 0.9% reduction. Office assets saw a 1.62% decline in values, comparing again favourably to the MSCI Index, where values declined by 11.2%. Eskmuir's retail assets saw a decrease in value of 2.62%, in line with the 2.6% decrease recorded by the MSCI Index.

Finance

Interest rates have this year, been at high levels, relative to the rates seen since the Global Financial Crisis. Higher risk-free rates for investors have impacted investor sentiment for real estate and whilst yields have now stabilised in all sectors save for offices, the portfolio valuation was not immune, with retail and office values impacted.

The increase in standing investments and purchases, together with the net profit retained, has seen Shareholders' funds increase by 0.3% to £166.5m (1,029p per share) this year, from £166.0m (1,026p per share) in 2023.

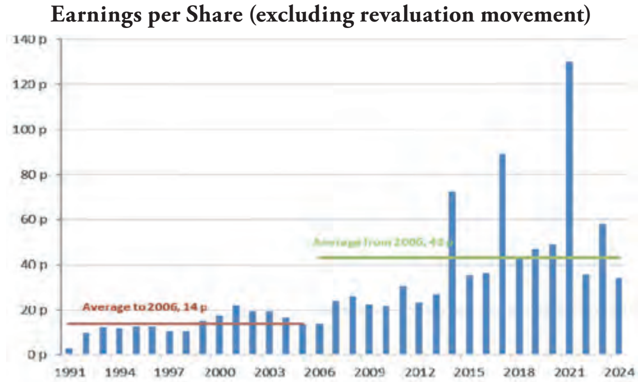
Net Asset Value per Share



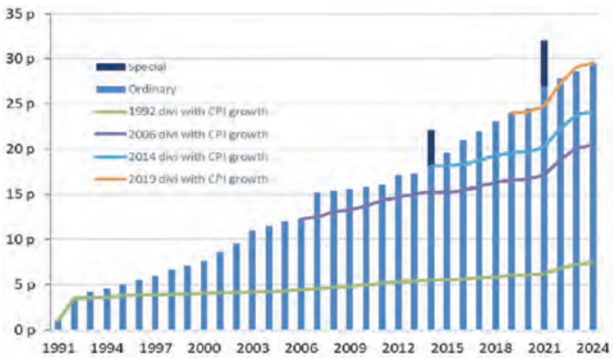
The graph to the left shows the NAV growth since Eskmuir was established in 1990. The NAV has increased from 125p per share (£16.2m) in 1990 to 1,029p per share (£166.5m) in 2024, a 723% increase. The NAV has increased year-on-year and materially above CPI (see graph) save for during periods of acute macroeconomic headwinds (i.e. the Global Financial Crisis, the Covid pandemic and the ongoing current economic challenges). Conservative levels of gearing and considered stock selection, have maintained headroom over all banking covenants and no rights issues have ever been required. The NAV contains £120.7m 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 £106.1m (628%) net of the payment of dividends.

Eskmuir's 2024 profit before tax was £5.7m (2023: loss £20.7m). Profit after tax was £5.2m (2023: loss £16.4m.). This has fed through to earnings per share of 32.3p (2023: loss per share of 101.5p). 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 increased this year, although this was offsest by higher borrowing costs. Last year included very profitable investment property sales. These two factors have combined to reduce Adjusted EPS to 34p, from 52p for 2023. Adjusted 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)



Annual Dividend per Share (Declared for year)



The total ordinary dividend for the 2024 financial year at 29.50p per share, is a 3% increase on last year's ordinary dividend. An interim dividend of 14.75p per share was paid on 30 September 2024 and the final dividend of 14.75p per share will be paid in March 2025. Excluding revaluation movements and deferred tax thereon, the profit after tax for the year covers the dividend by 1.2 times (2023: 2.0 times). The ordinary dividend has grown by 140% since 2006 which, as shown by the chart to the left, is real as it is in excess of CPI inflation over all time periods noted. Special dividends were paid in 2014 and 2021. £68.5m of dividends have been paid since 2006 and 2024 is Eskmuir's 33rd successive year of dividend growth.

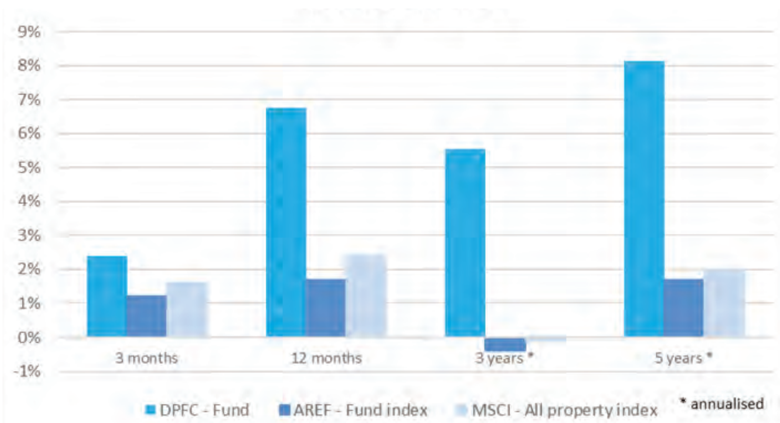
STRATEGIC REPORT (continued)

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 2024 increased to 7.734p per unit (2023: 7.657p per unit), representing a total distribution yield for the year of 5.6% on opening NAV. The total return for the year was 6.5% (2023: -3.5%), with the capital value increasing by 0.9% (2023: decreasing 8.8%).

The portfolio valuations decreased during the first quarter of the year but saw marginal gains throughout the rest of the year where active asset management supported income growth mitigating the impact of weak investor sentiment and softening yields. DPFC has significantly outperformed its market benchmarks over 3 months, 1 year, 3 years and 5 years as shown in the chart below.

Total returns



DPFC's investment strategy has demonstrated its resilience through the Covid-19 pandemic and the current economic and geopolitical headwinds. The strategy is clear, and remains appropriate investing 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 11 properties and 79 tenancies, with a weighting of 69% in the multi-let urban industrial sub-sector. Tenant retention in the portfolio is good, as evidenced by the low void rate of 5.2% (2023: 6.3%) at 30 September (MSCI All Property 10.6%). DPFC's seed investors have received a total return of 107% (9.6% annualised) formed of a 68% distribution and 39% capital growth, since inception in February 2015. DPFC's performance is published as part of the MSCI AREF index and in ESG terms, participant in the GRESB benchmark.

STRATEGIC REPORT (continued)

Strategy and Outlook

Twice a year, the Eskmuir business model, strategy and five-year plan are formally considered by the Eskmuir Board. The current 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 recent period of high inflation high interest rate environment and increased geopolitical and economic uncertainty.

The Eskmuir Board considers the business's business model and strategy, as outlined above, to be appropriate in serving Eskmuir's stated objectives. 2024 is the 33rd successive year of dividend growth for Eskmuir. The 29.50p dividend declared (2.9% of opening NAV) is an increase of 3% on last year. An interim dividend of 14.75p was paid in September 2024 and the final dividend of 14.75p will be paid in March 2025. Over the last 5 years, a total shareholder return of 21.1% has now been delivered. The dividend has been covered 1.2 times by profit after tax this year (2023: 2.0 times).

As a long-term investor in real estate, Eskmuir's business model, strategy and portfolio have demonstrated their ability to endure and perform in challenging economic environments. The portfolio has, this year, been pivoted further towards the preferred, and performing, multi-let urban industrial warehouse sector, with increased tenant diversity from strong financial covenants. Aligning the portfolio to social, economic and occupier trends, ensures investment in real estate sub-sectors with strong fundamentals and attractive supply and demand dynamics, which are evidencing rental growth. The rent collection rate is high and there is a long pipeline of asset management initiatives for the Eskmuir team to action, to enhance rental income streams and capital values. Eskmuir is in excellent financial health and well placed to deliver on the business objectives set, which the Eskmuir Board believes are achievable.

I would like to thank the Eskmuir team for all they have done to achieve the returns detailed in this report. Their ability to spot and deliver value enhancing asset management initiatives is evidenced in Eskmuir's long-term performance track record.

William Naunton joined the Eskmuir Board in April as a Non-Executive Director and I should like to welcome him and thank him for accepting the role. William is a solicitor who has practiced in the real estate industry for more than 30 years.

Sir Martin Laing retired as a Director of Eskmuir Properties Limited in January 2022 and sadly passed away in December 2023. David Laing CBE was a serving Director of Eskmuir Properties Limited and sadly passed away in March 2024. They will both be greatly missed by so many people and their contribution to Eskmuir's success has been immeasurable.

The debates they initiated will not be forgotten and I am very grateful for all the help and support they provided in the Eskmuir boardroom for so many years. The Eskmuir Board will miss them both.

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
17 December 2024

ESKMUIR
PROPERTIES LIMITED

REPORT OF THE DIRECTORS

The Directors present their annual report and the audited financial statements for the year ended 30 September 2024. 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 22 and show a profit before tax of £5.7m (2023: loss £20.7m). The company paid a final dividend of £2.3m (14.3p per share) on 31 March 2024 in respect of the 2023 financial year. An interim dividend of £2.4m (14.75p per share) was paid on 30 September 2023, in respect of the year then ended. Total dividends paid during the financial year were £4.7m, (29.07p per share). The Board recommends a final dividend of 14.75p per share payable on 31 March 2025 (2023: 14.32p per share paid 31 March 2024).

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 13 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 2024		30 September 2023	
	Beneficial	Non-Beneficial	Beneficial	Non-Beneficial
C M Laing*	1,282,283	1,368,333	1,282,283	726,092
P A Hodgson	-	-	-	-
J A Harding	-	-	-	-
R J M Collier*	-	12,627,810	-	12,627,810
N J Gregory*	1,054,319	934,041	996,920	291,800
D E Laing* (retired 3 March 2024)	-	-	654,387	2,492,254
W J Naunton* (from appointment 4 April 2024)	-	-	-	-
N J Treble*	-	12,627,810	-	12,627,810

* Non-Executive

REPORT OF THE DIRECTORS (continued)

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 2024.

	No. of ordinary shares held	%
Sir Kirby Laing Principal Settlement Trust	11,827,810	73
Martin Laing Foundation	934,041	6
Christopher Laing Foundation	859,857	5
Sir Kirby Laing Residual Settlement Trust	800,000	5
David Laing Foundation	699,296	4
The Beatrice Laing Trust	508,476	3

GOING CONCERN

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

Since 2015, Eskmuir realised £275m of proceeds (and generated £71m of profit on book value - £109m on historic cost) from investment property sales and had reinvested £205m; 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, devising and implementing the 2025 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 291 tenants across the portfolio at year end (2023: 237); 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 and flexed assumptions for a best case and worse case sensitivity to assess, amongst other matters, ongoing going concern. The dividend for 2024 has been covered by profits even though the Merchant Trade portfolio sale just missed the year end.

Leverage remains manageable at the year end (LTV 45%) and reduced to 40% on 30 October 2024, on completion of the sale of the Merchant Trade portfolio (see Note 29).

Directors are continuing to proactively manage the impact any fall in rental income would have on the Group's ability to meet loan to value or interest cover covenants. The Directors, after making reasonable enquiries, are of the opinion that the Group has adequate resources to continue its operations for the foreseeable future, being at least twelve months from the date of approval of these financial statements. Accordingly, they continue to adopt the going concern basis in preparing the financial statements.

The Group is in a net current liability position at 30 September 2024 of £5.63m (2023: net current assets £12.10m), which represents less than 3.4% (2023: -7%) of the net assets of the business. Given the availability of a reliable credit facility (see Note 17), the Group's ability to generate healthy cash flows from operations and the strength of investment property assets, the Directors are confident that this does not threaten the Group in its existence as a going concern over the coming twelve months.

POST BALANCE SHEET EVENTS

Details of post balance sheet events are described in Note 29.

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.

REPORT OF THE DIRECTORS (continued)

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: 17 December 2024

REPORT BY THE BOARD ON DIRECTORS' REMUNERATION

Remuneration policy

Executive remuneration packages are designed to attract, motivate and retain Directors of the highest 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	100% of annual salary
J A Harding	100% of annual salary

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

Pension arrangements

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

Directors' contracts

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

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

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

Non-Executive Directors

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

Details of Directors' remuneration

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

Retirement by rotation

P A Hodgson and N J Treble retire by rotation and, being eligible, offer themselves for re-election at AGM.

Appointment

W J Naunton's appointment is subject to approval by shareholders at AGM.

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 accounting 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 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 2024 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 K.

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

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report.

We are independent of the group and the parent company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the Financial Reporting Council's (the 'FRC's') Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Conclusions relating to going concern

In auditing the financial statements, we have concluded that the directors' use of the going concern basis of accounting in the preparation of the financial statements is appropriate.

Based on the work we have performed, we have not identified any material uncertainties relating to events or conditions that, individually or collectively, may cast significant doubt on the group's and parent company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

Our responsibilities and the responsibilities of the directors with respect to going concern are described in the relevant sections of this report.

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance conclusion thereon.

Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

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

Report on the audit of the financial statements (continued)

Responsibilities of directors

As explained more fully in the directors' responsibilities statement, the directors are responsible for the preparation of the financial statements and for being satisfied that they give a true and fair view, and for such internal control as the directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the directors are responsible for assessing the group's and the parent company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the group or the parent company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (UK) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located on the FRC's website at: www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Extent to which the audit was considered capable of detecting irregularities, including fraud

Irregularities, including fraud, are instances of non-compliance with laws and regulations. We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below.

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 and the directors about their own identification and assessment of the risks of irregularities, including those that are specific to the group's business sector.

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 area, and our 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 real estate valuation specialists to challenge the key assumptions used 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.

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

Report on the audit of the financial statements (continued)

Report on other legal and regulatory requirements

Opinions on other matters prescribed by the Companies Act 2006
In our opinion, based on the work undertaken in the course of the audit:

- the information given in the strategic report and the directors' report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the strategic report and the directors' report have been prepared in accordance with applicable legal requirements.

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

Matters on which we are required to report by exception

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

- adequate accounting records have not been kept by the parent company, or returns adequate for our audit have not been received from branches not visited by us; or
- the parent company financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of directors' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit.

We have nothing to report in respect of these matters.

Use of our report

This report is made solely to the company's members, as a body, in accordance with Chapter 3 of Part 16 of the Companies Act 2006. Our audit work has been undertaken so that we might state to the company's members those matters we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the company and the company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Andy Siddorns, FCA (Senior Statutory Auditor)
For and on behalf of Deloitte LLP
Statutory Auditor
London, UK

Date: 17 December 2024

ESKMUIR PROPERTIES LIMITED

CONSOLIDATED INCOME STATEMENT
For the year ended 30 September 2024

	NOTE	2024 £'000	2023 £'000
TURNOVER	**3**	19,673	17,124
Rents payable		(67)	(483)
		19,606	16,641
Administrative expenses		(5,585)	(6,327)
Profit on disposal of investment properties		200	6,818
OPERATING PROFIT		14,221	17,132
Deficit on revaluation of investment property	**11**	(974)	(32,543)
Interest receivable and similar income		66	39
Interest payable and similar charges	**5**	(7,619)	(5,362)
PROFIT / (LOSS) BEFORE TAXATION	**4**	5,694	(20,734)
Tax (charge) on profit / credit on loss	**7**	(475)	4,306
PROFIT / (LOSS) FOR THE FINANCIAL YEAR		5,219	(16,428)
Basic and diluted earnings / (loss) per share	**22**	32.3p	(101.5p)

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 2024

	NOTE	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible fixed assets	**10**	18	27
Investment properties	**11**	314,999	250,259
Investments	**12**	888	888
		315,905	251,174
CURRENT ASSETS			
Debtors	**13**	5,044	5,846
Cash at bank and in hand		1,500	16,952
		6,544	22,798
CREDITORS: amounts falling due within one year	**14**	(12,177)	(10,698)
NET CURRENT (LIABILITIES) / ASSETS		(5,633)	12,100
TOTAL ASSETS LESS CURRENT LIABILITIES		310,272	263,274
CREDITORS: amounts falling due after more than one year	**15**	(142,512)	(94,873)
PROVISIONS FOR LIABILITIES	**16**	(1,276)	(2,432)
NET ASSETS		166,484	165,969
CAPITAL AND RESERVES			
Called up share capital	**18**	16,182	16,182
Profit and loss reserve		150,302	149,787
SHAREHOLDERS' FUNDS		166,484	165,969
NET ASSETS PER SHARE	**24**	1,029p	1,026p

These consolidated financial statements of Eskmuir Properties Limited, registered number 02512752, from pages 22 to 43, were approved and authorised for issue by the Board of Directors on 5 December 2024.

Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director

Date: 17 December 2024

ESKMUIR
PROPERTIES LIMITED

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2024

	Called up share capital (Note 18) £'000	Profit and loss reserve £'000	Total £'000
At 30 September 2022	**16,182**	**170,781**	**186,963**
Loss for the financial year	-	(16,428)	(16,428)
Total comprehensive expense	-	(16,428)	(16,428)
Dividends paid during the year (Note 9)	-	(4,566)	(4,566)
Total movement in year	-	(20,994)	(20,994)
At 30 September 2023	**16,182**	**149,787**	**165,969**
Profit for the financial year	-	5,219	5,219
Total comprehensive income	-	5,219	5,219
Dividends paid during the year (Note 9)	-	(4,704)	(4,704)
Total movement in year	-	515	515
At 30 September 2024	**16,182**	**150,302**	**166,484**

CONSOLIDATED CASH FLOW STATEMENT
For the year ended 30 September 2024

	NOTE	2024 £'000	2023 £'000
Net cash inflow from operating activities	**19**	13,842	7,675
Cash flows from investing activities			
Investment property acquisitions		(63,855)	(8,896)
Investment property additions		(2,357)	(2,882)
Payments to acquire tangible fixed assets		(3)	(21)
Net proceeds on sale of investment properties		421	41,152
Net cash (outflow) / inflow from investing activities		(65,794)	29,353
Cash flows from financing activities			
Repayments of bank loan facility		(5,450)	(27,650)
Advances under bank loan facility		53,400	14,450
Interest received		63	39
Interest paid		(6,809)	(5,160)
Equity dividends paid to shareholders		(4,704)	(4,566)
Net cash inflow / (outflow) used in financing activities		36,500	(22,887)
(Decrease) / increase in cash and cash equivalents in the year		(15,452)	14,141
Cash and cash equivalents at beginning of the year		16,952	2,811
Cash and cash equivalents at end of the year		1,500	16,952

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS
For the year ended 30 September 2024

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 14.

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 14.

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 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 regardedas 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.

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 (2023: none).

Key sources of estimation uncertainty

Investment properties were revalued to fair value as at 30 September 2024 based on a valuation by Knight Frank LLP (2023: Jones Lang LaSalle), Chartered Surveyors, an independent professionally qualified valuer with recent experience in the location and class of the investment property being valued. The valuation basis is market value and was arrived at by reference to market evidence of the transaction prices paid for similar properties in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

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

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

3 TURNOVER

	2024 £'000	2023 £'000
Rental income	19,171	16,629
Asset and fund management fee income	502	495
	19,673	17,124

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

4 PROFIT / (LOSS) BEFORE TAXATION

	2024 £'000	2023 £'000
Profit / (loss) before taxation is stated after charging:		
Depreciation of tangible fixed assets (see Note 10)	12	17
Deficit on revaluation of Investment property (see Note 11)	(974)	(32,543)

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

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

Fee payable to auditor for the auditing of the Company's financial statements	81	79
Fees payable for the audit of the Company's subsidiaries financial statements	101	98
Total audit fees	182	177
Taxation compliance services	43	44
Taxation advisory services	-	19
Audit related assurance services	14	12
Total non-audit fees	57	75
Total audit and non-audit fees	239	252

5 INTEREST PAYABLE AND SIMILAR CHARGES

	2024 £'000	2023 £'000
Debenture interest	4,062	4,061
Bank loans and overdrafts	3,320	1,119
Amortisation of bank facility fees	168	168
Other interest payable	69	14
	7,619	5,362

During the year, no interest expenses were capitalised into the carrying value of investment properties during the course of construction (2023: £nil).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

6 STAFF COSTS

Employee costs for the Company and its group, including Directors, during the year were as follows:	**2024 £'000**	**2023 £'000**
Wages and salaries	1,849	2,565
Social security costs	186	176
Pension costs	73	54
Healthcare	51	57
	2,159	2,852

Monthly average number of employees (excluding Non-Executive Directors)	No.	No.
for the Company and its group	8	8

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 2024 £'000	Total 2023 (restated*) £'000
Executive						
P A Hodgson	508	-	21	10	539	778
J A Harding	331	-	27	6	364	435
Non-Executive						
R J M Collier	55	-	-	-	55	55
N J Gregory	30	-	-	-	30	3
C M Laing	40	-	-	-	40	40
D E Laing	15	-	-	-	15	30
W J Naunton	15	-	-	-	15	-
N J Treble	55	-	-	-	55	55
	1,049	-	48	16	1,113	1,396

*The prior year Directors' remuneration disclosures presented above and below have been restated for P A Hodgson and J A Harding due to the omission of £610,000 bonus awards (£477,700 cash bonus awards and £132,300 deferred bonus awards).

D E Laing sadly passed away on 3 March 2024.

W J Naunton was appointed to the Board on 4 April 2024.

N J Gregory was appointed to the Board on 1 September 2023.

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. There were no deferred awards payable in the year ended 30 September 2023 or 30 September 2024.

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.

ESKMUIR
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6 STAFF COSTS (continued)

P A Hodgson Award	Vesting (payable the following January)	At 1 October 2023 £'000 (Restated*)	Investment gain accrued in year £'000	Deferred award vesting in year £'000	Current year deferred award £'000	At 30 September 2024 £'000
2020 award	30 September 2023	-	-	-	-	-
2021 award	30 September 2024	98	3	-	-	101
2022 award	30 September 2025	-	-	-	-	-
2023 award	30 September 2026	94	4	-	-	98
2024 award	30 September 2027	-	-	-	-	-
		192	7	-	-	199

J A Harding Award	Vesting (payable the following January)	At 1 October 2023 £'000 (Restated*)	Investment gain accrued in year £'000	Deferred award vesting in year £'000	Current year deferred award £'000	At 30 September 2024 £'000
2020 award	30 September 2023	-	-	-	-	-
2021 award	30 September 2024	50	2	-	-	52
2022 award	30 September 2025	-	-	-	-	-
2023 award	30 September 2026	39	1	-	-	40
2024 award	30 September 2027	-	-	-	-	-
		89	3	-	-	92

Pensions

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

	2024 £'000	2023 £'000
P A Hodgson	22	6
	22	6

7 TAX ON PROFIT / (LOSS)

Current Tax	2024 £'000	2023 £'000
United Kingdom corporation tax at 25.0% (2023: 22.0%)	1,787	3,443
Adjustment in respect of prior periods	(156)	(136)
Total current tax charge	1,631	3,307
Deferred tax		
Origination and reversal of timing differences	(461)	145
Tax credit on revaluation deficits	(695)	(7,758)
Total deferred tax credit - see Note 16	(1,156)	(7,613)
Total tax charge / (credit) on profit / (loss)	475	(4,306)

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

The main rate of corporation tax, as enacted during 2022, was increased from 19% to 25% from 1 April 2023. Deferred tax assets and liabilities have been measured at 25% since 1 October 2022.

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 / (loss) before tax is as follows:

	2024 £'000	2023 £'000
Group profit / (loss) before tax	5,694	(20,734)
Tax on Group profit / (loss) at standard UK corporation tax rate of 25% (2023: 22%)	1,423	(4,564)
Tax on chargeable gains on sale	26	938
Tax on unrealised revaluation surpluses	(452)	(596)
Expenses not deductible for tax purposes	180	18
Capital allowances in excess of depreciation	(546)	34
Adjustments to tax charge in respect of previous periods	(156)	(136)
Group total tax charge / (credit) for the year	475	(4,306)

8 PROFIT / (LOSS) 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 Company. See Company Balance Sheet, page 44.

9 DIVIDENDS

	2024		2023	
	Per share	£'000	Per share	£'000
Amounts recognised as distributions to equity shareholders in the period:				
Previous period final dividend	14.32p	2,317	13.90p	2,249
Current period interim dividend	14.75p	2,387	14.32p	2,317
	29.07p	4,704	28.22p	4,566

The Board recommends a final ordinary dividend of 14.75p per share, £2.387m making a total ordinary dividend for the year of 29.50p, £4.774m. (2023: 28.64p per share, £4.635m).

10 TANGIBLE FIXED ASSETS

	Fixtures and fittings £'000	Computer equipment £'000	Total £'000
Cost			
At 1 October 2023	83	196	279
Additions	1	2	3
At 30 September 2024	84	198	282
Accumulated Depreciation			
At 1 October 2023	82	170	252
Charge for the year	1	11	12
At 30 September 2024	83	181	264
Net book value			
At 30 September 2024	1	17	18
At 30 September 2023	1	26	27

No leased assets are included above.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

11 INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2023	235,275	14,325	249,600
Acquisitions	60,760	3,095	63,855
Additions	2,186	171	2,357
Spreading of lease incentives	(140)	(2)	(142)
Disposals	-	(221)	(221)
Revaluation in year	(431)	(543)	(974)
At valuation at 30 September 2024	297,650	16,825	314,475
Head leases treated as finance leases on investment properties (see Note 23)	-	524	524
Total property value	297,650	17,349	314,999
At cost			
At 30 September 2024	274,303	6,650	280,953
At 30 September 2023	208,432	6,546	214,978

Investment properties were revalued to fair value as at 30 September 2024 based on a valuation by Knight Frank LLP (2023: Jones Lang LaSalle), Chartered Surveyors, an independent professionally qualified valuer with relevant 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 2024 no interest was capitalised, (2023: £nil). A cumulative total of £823k of interest has been capitalised into the balance sheet (2023: £823k).

As set out in Note 3, property rents receivable during the year was £19.2m (2023: £16.6m). 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 £300,025,000 (2023: £236,109,000).

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

12 INVESTMENTS

	£'000
Cost	
At 1 October 2023	2,110
Investment additions	-
At 30 September 2024	2,110
Provision for impairment	
At 1 October 2023	1,222
Provision during the year	-
At 30 September 2024	1,222
Net book value	
At 30 September 2024	888
At 30 September 2023	888

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

Principal Group unlisted investments:			**2024**	**2023**
			£'000	**£'000**
Entity	Principal activity	Registered	Net book value	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	-	-
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	888

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.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

13 DEBTORS

	2024 £'000	2023 £'000
Trade debtors	1,676	1,958
Corporation tax recoverable	-	189
Other debtors	2,628	3,115
Prepayments	615	454
Accrued income	125	130
	5,044	5,846

Included within other debtors above are:

- amounts collected from tenants by property agents but not yet paid over to the Group. The agents hold these monies in designated client accounts and pay the balances over on a periodic basis. At the year end the balance outstanding was £1,280,000 (2023: £1,317,000).
- amounts held by property agents in respect of rent deposits. At the year end the balance outstanding was £1,095,000 (2023: £1,339,000).
- unamortised loan costs £nil (2023: £224,000).

14 CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Trade creditors	1,097	1,690
Corporation tax	1,071	-
Other taxes and social security costs	1,519	1,248
Other creditors	1,723	1,587
Accruals	3,228	3,354
Deferred income	3,539	2,819
	12,177	10,698

15 CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Bank loan	47,755	-
Bond loan 4.255% 2047	94,233	94,214
Finance lease liabilities (Note 23)	524	659
	142,512	94,873

The bank loan facility is in the name of a subsidiary undertaking. The loan is secured on properties held by the subsidiary undertaking and the bank 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 performance.

On 30 September 2024, the first of two, one year term extension options was exercised; the loan now matures on 31 March 2026.

Borrowings are repayable as follows:	2024 £'000	2023 £'000
Debenture loan more than ten years	94,233	94,214
Bank loan between two and five years	47,755	-
	141,988	94,214

16 PROVISIONS FOR LIABILITIES

	2024 £'000	2023 £'000
Deferred taxation - amounts provided:		
At 1 October	2,432	10,045
Credit to consolidated income statement	(1,156)	(7,613)
At 30 September	1,276	2,432
Analysis of Deferred Tax balance		
Capital allowances in excess of depreciation	64	1,220
Capital gains assuming sale	1,212	1,212
	1,276	2,432

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

17 FINANCIAL INSTRUMENTS

The carrying values of the Group's financial assets and liabilities are summarised by category below:	2024 £'000	2023 £'000
Financial assets		
Measured at fair value through profit or loss: Cash at bank and in hand	1,500	16,952
Measured at amortised cost: Trade debtors	1,676	1,958
	3,176	18,910
Financial liabilities		
Measured at amortised cost:		
Trade creditors	1,097	1,690
Bond loan 4.255% 2047	94,233	94,214
Bank loan	47,755	-
	143,085	95,904
The Group's income, expense, gains and losses in respect of financial instruments are summarised below:		
Interest income and expense		
Total interest expense for financial liabilities at amortised cost	7,619	5,362
	7,619	5,362
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 24	Contracted interest rate at 30 Sept 23	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	1,500	-	-
Bank loan	SONIA plus 2.05%	SONIA plus 2.05%	-	(47,755)	-
4.255% Bonds	4.255%	4.255%	-	-	(94,233)

17 FINANCIAL INSTRUMENTS (continued)

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 loss for the year ended 30 September 2024 would have been £219,500 lower (2023: pre-tax loss £60,500 lower). This results from higher weighted average Natwest loan balance in the current year. The inverse is equally true for the current year if interest rates had been 50 basis points lower.

Credit Risk

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

Liquidity Risk

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

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

Short-term flexibility is achieved by bank loan facilities. The Group has a £60,000,000 loan facility, with two and a half years until its maturity date of 31 March 2026. At 30 September 2024, the Group had drawn £47,755,000 (2023: £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, 66% (2023: 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

	2024 £'000	2023 £'000
Authorised: 64,773,414 ordinary shares of £1 each (2023: 64,773,414)	64,773	64,773
Called up, allotted and fully paid: 16,182,085 ordinary shares of £1 each (2023: 16,182,085)	16,182	16,182

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

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

	2024 £'000	2023 £'000
Operating profit	14,221	17,132
Profit on disposal of investment properties	(200)	(6,818)
Depreciation of tangible fixed assets	12	17
(Increase) / decrease in debtors	389	(974)
Increase / (decrease) in creditors	(287)	2,019
Lease incentive adjustments	142	(229)
Taxation paid	(435)	(3,472)
Net cash inflow from operating activities	13,842	7,675

20 ANALYSIS OF CHANGES IN NET DEBT

	2023 £'000	Cash flows £'000	Non-cash movements £'000	2024 £'000
Cash at bank and in hand	16,952	(15,452)	-	1,500
Debt due after more than one year	(94,873)	(47,950)	311	(142,512)
	(77,921)	(63,402)	311	(141,012)

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

	2024 £'000	2023 £'000
Decrease in cash in the year	(15,452)	14,141
Repayment under bank loan facility	5,450	27,650
Advances under bank loan facility	(53,400)	(14,450)
Total cash movements	(63,402)	27,341
Non cash movements	311	(289)
Change in net debt	(63,091)	27,052
Net debt at 1 October	(77,921)	(104,973)
Net debt at 30 September	(141,012)	(77,921)

ESKMUIR
PROPERTIES LIMITED

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS (continued)
For the year ended 30 September 2024

22 EARNINGS PER SHARE

		2024	2023
Basic and diluted earnings / (loss) per share		32.3p	(101.5p)
Adjusted earnings per share		34.0p	58.2p
Basic and diluted earnings / (loss) per share have been calculated based upon the following figures:			
Weighted average number of shares in issue	No.	16,182,085	16,182,085
Earnings / (loss) for the year	£'000	5,219	(16,428)
Adjusted earnings / (loss) for the year (excl revaluation movements)	£'000	5,498	9,412

23 FINANCIAL COMMITMENTS

Total minimum future lease receipts under non cancellable operating leases are as follows:	Land and Buildings	
	2024 £'000	2023 £'000
In less than one year	18,657	14,265
Between two and five years	47,428	38,318
In more than five years	7,923	7,616
	74,008	60,199

	2024 £'000	2023 £'000
Capital Commitments contracted but not provided for are as follows:	-	-

At 30 September 2024, the Group was committed to making the following minimum future payments in respect of finance leases:	Land and Buildings	
	2024 £'000	2023 £'000
In less than one year	60	63
Between two and five years	242	251
In more than five years	5,505	5,722
	5,807	6,036
Less future finance charges	(5,283)	(5,377)
Net present value of finance leases recognised as liabilities	524	659

The minimum lease payments noted above relate to head rent payable on leasehold properties over the remaining 96 years (2023: 96 years) weighted average unexpired lease term.

24 NET ASSETS PER SHARE

Net asset value per share has been calculated on 16,182,085 (2023: 16,182,085) ordinary shares in issue at the year end and on net assets of £166,484,000 (2023: £165,969,000).

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 and a previous Bursar of that organisation (Mr Paul Warren), is a member of the Investment Advisory Board (IAB) of EAM. Mr Warren received a fee of £10,000 for services to the IAB during the year (2023: £10,000), £2,500 of which was outstanding at the balance sheet date (2023: £2,500).

Services provided to DPFC totalled £334,775 (2023: £330,110) in EAM and £167,388 (2023: £165,055) in EFM. At the balance sheet date, a total of £124,575 (2023: £124,740) 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, EAM incurred costs of £7,436 on behalf of DPFC (2023: £7,436). The amount outstanding at the balance sheet date was £8,923 (2023: £11,982).

26 CONTINGENT LIABILITIES

There were no contingent liabilities noted at the year end (2023: 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 15.

29 POST BALANCE SHEET EVENTS

On 16 October 2024, Eskmuir Properties Limited and Eskmuir Securities Limited (its subsidiary undertaking) exchanged contracts to sell three industrial properties (the Merchant Trade portfolio). The contract price was £27.8m (£6.8m to Eskmuir Properties Limited and £21.0m to Eskmuir Securities Limited) and realised profit over historic cost of £6.7m (£1.9m to Eskmuir Properties Limited and £4.8m to Eskmuir Securities Limited). The sale completed on 30 October 2024 and £27.0m was applied to repay Eskmuir Securities Limited's Natwest debt.

On 5 December 2024, Eskmuir Properties Limited and its subsidiary undertakings varied the terms of their existing intercompany loan agreements, to extend the term to 31 March 2026 and provide a further mutual option to extend to 31 March 2027. The quantum of the loan between the Company and Eskmuir Investments Limited was also varied to be a maximum of £3.5m.

ESKMUIR
PROPERTIES LIMITED

COMPANY BALANCE SHEET
As at 30 September 2024

	NOTE	2024 £'000	2023 £'000
FIXED ASSETS			
Tangible fixed assets	C	18	27
Investment properties	D	162,336	161,421
Investments	E	4,382	6,169
		166,736	167,617
CURRENT ASSETS			
Debtors due in more than one year	F	97,671	94,799
Debtors due in less than one year	F	2,736	3,880
Cash at bank and in hand		855	1,068
		101,262	99,747
CREDITORS: amounts falling due within one year	G	(6,342)	(6,398)
NET CURRENT ASSETS		94,920	93,349
TOTAL ASSETS LESS CURRENT LIABILITIES		261,656	260,966
CREDITORS: amounts falling due after more than one year	H	(99,367)	(98,738)
PROVISIONS FOR LIABILITIES	J	-	197
NET ASSETS		162,289	162,425
CAPITAL AND RESERVES			
Called up share capital	K	16,182	16,182
Profit and loss reserve		146,107	146,243
SHAREHOLDERS' FUNDS		162,289	162,425
NET ASSETS PER SHARE		1,003p	1,004p

The Company has not set out its own income statement, as permitted by Companies Act 2006. The profit after tax for the year was £4,568,000 (2023: Loss after tax £6,174,000).

These financial statements of Eskmuir Properties Limited, registered number 02512752, on pages 44 to 51, were approved and authorised for issue by the Board of Directors on 5 December 2024.

Signed on behalf of the Board of Directors.

P A Hodgson
Managing Director

Date: 17 December 2024

COMPANY STATEMENT OF CHANGES IN EQUITY
For the year ended 30 September 2024

	Called up share capital £'000	Profit and loss reserve £'000	Total £'000
At 30 September 2022	**16,182**	**156,983**	**173,165**
Loss for the financial year	-	(6,174)	(6,174)
Total comprehensive loss	-	(6,174)	(6,174)
Dividends paid during the year	-	(4,566)	(4,566)
Total movement in year	-	(10,740)	(10,740)
At 30 September 2023	**16,182**	**146,243**	**162,425**
Profit for the financial year	-	4,568	4,568
Total comprehensive income	-	4,568	4,568
Dividends paid during the year	-	(4,704)	(4,704)
Total movement in year	-	(136)	(136)
At 30 September 2024	**16,182**	**146,107**	**162,289**

NOTES TO THE COMPANY BALANCE SHEET
For the year ended 30 September 2024

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.

The Company has taken advantage of the exemption available to wholly owned subsidiary undertakings under Financial Reporting Standard 102, 'Related Party Transactions', not to disclose details of any transactions with entities that are included in the Company's consolidated financial statements.

B AUDITOR REMUNERATION

The remuneration in respect of the audit of the Company for the period was £81,000 (2023: £79,000). 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 2023	83	194	277
Additions	1	2	3
At 30 September 2024	84	196	280
Accumulated Depreciation			
At 1 October 2023	80	170	250
Charge for the year	1	11	12
At 30 September 2024	81	181	262
Net book value			
At 30 September 2024	3	15	18
At 30 September 2023	3	24	27

No leased assets are included above.

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2024

D INVESTMENT PROPERTIES

	Freehold £'000	Long Leasehold £'000	Total £'000
At valuation at 1 October 2023	151,735	9,650	161,385
Acquisitions	-	-	-
Additions net of dilapidations receipts	1,292	279	1,571
Spreading of lease incentives	(107)	(6)	(113)
Disposals	-	-	-
Revaluation in year	(170)	(373)	(543)
At valuation at 30 September 2024	152,750	9,550	162,300
Head leases treated as finance leases on investment properties (see Note I)	-	36	36
Total property value	152,750	9,586	162,336
At cost			
At 30 September 2024	119,823	9,512	129,335
At 30 September 2023	118,579	9,232	127,811

Investment properties were revalued to fair value as at 30 September 2024, based on a valuation by Knight Frank LLP, Chartered Surveyors, an independent professionally qualified valuer with relevant experience in the location and class of the investment property being valued. The valuation basis is market value and was arrived at by reference to market evidence of the transaction prices paid for similar properties in accordance with the RICS Appraisal and Valuation Standards of the Royal Institution of Chartered Surveyors.

Property rental income earned during the year was £10.0m (2023: £9.1m). No contingent rents have been recognised as rent income in the current year.

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

The Company acts as guarantor on a subsidiary's Bond loan. The Bond loan is secured against the Company's investment properties with a total value of £154,300,000 (2023: £154,135,000).

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2024

E INVESTMENTS

	£'000
Cost	
At 1 October 2022 and 1 October 2023	10,100
Additions	-
At 30 September 2023 and 30 September 2024	10,100
Provision for impairment	
At 1 October 2023	(3,931)
Provision during the year	(1,787)
At 30 September 2024	(5,718)
Net book value	
At 30 September 2023	6,169
At 30 September 2024	4,382

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 manager	1	1	100
Eskmuir Investments Limited	Investment company	1	1	100
Eskmuir Group Finance Plc	Group finance company	100,000	100,000	100
Eskmuir Securities Limited	Property investor	10,000,001	1	100
Eskmuir (Thayer Street 1) Limited	Dormant	1	1	100
Eskmuir (Thayer Street 2) Limited	Property investor	1	1	100

All entities are wholly owned by Eskmuir Properties Limited with the exception of Eskmuir FM 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 22 to 43, 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.

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2024

F DEBTORS

	2024 £'000	2023 £'000
Amounts due in more than one year:		
Amounts due from subsidiary undertakings	97,014	94,799
Deferred tax asset	657	-
	97,671	94,799
Amounts due in less than one year:		
Trade debtors	864	1,532
Other debtors	1,521	1,980
Corporation tax	-	89
Prepayments and accrued income	351	279
	2,736	3,880

Amounts due from subsidiary undertakings are unsecured and bear interest quarterly at SONIA plus 2.05% from 30 September 2021; the repayment date is 31 March 2026.

Balances at the year end were impaired by £1,962,000 (2023: £2,125,000), as a consequence of net liabilities in one subsidiary undertaking. The impairment was reduced by £163,000 in the current year. Impairments eliminate on consolidation.

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

Included within other debtors above are:

– amounts collected from tenants by property agents but not yet paid over to the group. The agents hold these monies in designated client accounts and pay the balances over on a periodic basis. At the year end the balance outstanding was £498,000 (2023: £721,000).

In the current year, the deferred tax asset has been presented within debtors. In the prior year, the deferred tax asset was incorrectly presented in provisions for liabilities, but has not been reclassified in the current year, as this is not material.

ESKMUIR PROPERTIES LIMITED

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2024

G CREDITORS: AMOUNTS FALLING DUE WITHIN ONE YEAR

	2024 £'000	2023 £'000
Trade creditors	570	1,023
Corporation tax	1,428	-
Other taxes and social security costs	776	653
Other creditors	743	942
Accruals	983	1,832
Deferred income	1,842	1,948
	6,342	6,398

H CREDITORS: AMOUNTS FALLING DUE AFTER MORE THAN ONE YEAR

	2024 £'000	2023 £'000
Amounts due to subsidiary undertakings	99,331	98,702
Finance lease liabilities (Note I)	36	36
	99,367	98,738

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.

Included in amounts due to subsidiary undertakings is an unsecured loan from Eskmuir Group Finance Plc. 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	99,331	98,702

NOTES TO THE COMPANY BALANCE SHEET (continued)
For the year ended 30 September 2024

I FINANCIAL COMMITMENTS

At 30 September 2024 the Company was committed to receiving the following minimum future receipts in respect of operating leases:	Land and Buildings 2024 £'000	Land and Buildings 2023 £'000
In less than one year	10,775	8,876
Between two and five years	26,688	22,502
In more than five years	3,150	3,723
	40,613	35,101

At 30 September 2024 the Company was committed to making the following minimum future payments in respect of finance leases:		
In less than one year	1	1
Between two and five years	6	6
In more than five years	1,249	1,250
	1,256	1,257
Less future finance charges	(1,220)	(1,221)
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 913 years (2023: 914 years) weighted average unexpired lease term.	2024 £'000	2023 £'000
Capital Commitments contracted for but not provided for are as follows:	-	-

J PROVISIONS FOR LIABILITIES AND CHARGES

	2024 £'000	2023 £'000
Deferred taxation - amounts provided:		
At 1 October	(197)	5 ,476
(Credit) to Company income statement	(460)	(5,673)
At 30 September	(657)	(197)
Analysis of Deferred Tax balance		
Capital allowances in excess of depreciation	458	(5,273)
Tax on revaluation surpluses	(1,115)	5,076
	(657)	(197)
Reanalysed to Debtors amounts due in more than one year	657	-
	-	(197)

In the current year, the deferred tax asset has been presented within debtors. In the prior year, the deferred tax asset was incorrectly presented in provisions for liabilities but has not been reclassified in the current year as this is not material.

K CALLED UP SHARE CAPITAL

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

ESKMUIR
PROPERTIES LIMITED

GLOSSARY

Adjusted EPS

Earnings per share, excluding valuation movements.

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.

D&B

Dun & Bradstreet provide business decisioning data and credit analytics.

Dividend Cover

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

DPFC's NAV per unit

Net asset value for Diversified Property Fund for Charities divided by total units in issue.

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.

GVA

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

Total Property Return

Income and movement in capital value (net of capital expenditure) of the investment property portfolio for the year divided by opening property portfolio value. Portfolio properties included on a like for like basis, i.e. acquisitions and disposals excluded.

Total Shareholder Return

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

Company Registration No. 02512752

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