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Caledonian Trust Limited

Annual Report and Accounts
for the year ended 30 June 2025

Company Number 01040126

Contents

Caledonian Trust Limited
Company Information

Directors	M J Baynham LLB (Hons) R J Pearson MA, FRICS J McArthur LLB, CTA, TEP (appointed 17 February 2025) I D Lowe (resigned 5 January 2025)
Secretary	M J Baynham LLB (Hons)
Registered office	c/o Womble Bond Dickinson The Spark Drayman's Way Newcastle Helix Newcastle Upon Tyne NE4 5DE
Head office	61A North Castle Street Edinburgh EH2 3LJ
Independent auditor	Johnston Carmichael LLP 7 – 11 Melville Street Edinburgh EH3 7PE

Strategic Report for the Year Ended 30 June 2025

Operating and Financial Review

Principal Activities

The principal activities of the Group are the holding of property for both investment and development purposes.

Results and Proposed Dividends

The Group made a pre-tax loss of £5,905,000 in the year to 30 June 2025 compared with a pre-tax loss of £987,000 last year. The net valuation loss in the year was £5,401,000 compared to a net valuation loss in the previous year of £459,000.

Income from rent and service charges increased to £395,000 from £345,000 in 2024. No development properties were sold in 2025 (2024: £660,000) and one investment property was sold in the year, realising a loss of £1,000 based on valuation (2024: £Nil). Administrative expenses were £631,000 (2024: £690,000) and interest payable was £201,000 (2024: £232,000).

The directors do not propose a dividend in respect of the financial year ended 30 June 2025 (2024: Nil).

Business Review

The Company's listing on the Alternative Investment Market was cancelled with effect from 26 November 2024 and the Company re-registered as a private company on 6 December 2024.

The diminution in the value of the Investment Property Portfolio primarily reflects the current high cost of construction and development finance which have risen substantially more than rents and property values.

As previously advised, Ian Doulgas Lowe, our former Chairman and Chief Executive, passed on 5 January 2025. He controlled almost 80% of the issued share capital in the Company, which is now controlled by his Executors, one of whom, John McArthur, has joined our Board as a Non-Executive Director.

Within the Group's property investment portfolio the public house in Alloa, the last of the four originally refurbished in the late 1990s, was sold in October 2024. The four lockup garages in Young Street Lane North, Edinburgh were sold after the year end in November 2025.

St Margaret's House, continues to be fully let to a charity, Scotland's Art (formerly Edinburgh Palette), which has reconfigured and sub-let all the space to over 200 artists, artisans, entrepreneurs and galleries. An increase in the rent of £50,000 per annum to £186,750 per annum was negotiated with effect from 1 August 2024, still a very modest rent of around £2 per square foot (excluding VAT).

We have gained and, subsequently, endured the planning permission for a development of 377 student bedrooms and 107 residential flats at St. Margaret's and subsequently secured a non-material variation of the consent to increase the number of studio rooms in the student block from 73 to 277 while reducing the cluster bedrooms from 304 to 84. As reported last year, we had instructed Scarlett Land and Development to advise on the sale of St Margaret's House and they launched a marketing campaign early in 2025, which resulted in significant interest being shown in the site. Unfortunately

Strategic Report for the Year Ended 30 June 2025

Business Review (continued)

before terms could be agreed for its sale, the Scottish Parliament Committee dealing with the Housing Scotland Bill decided to include Purpose Built Student Accommodation (PBSA) within the scope of rent controls at stage 2 of the process in April 2025. This immediately stalled the market for PBSA in Scotland. This mis-step was corrected in the final stage of the Bill in September 2025. The Bill was enacted on 6 November 2025. Interest in PBSA has now tentatively returned and is expected to gain traction on the Act's implementation. Construction costs still weigh heavily on the viability of many schemes. It is our intention to relaunch the marketing of the site in 2026.

At Brunstane, in East Edinburgh, we obtained planning consent for two houses on the former "Plot 10" which will be incorporated into the Upper Brunstane consent in the field to the east of the Steading. We have recently applied for one further housing plot which was freed up by moving the location of the sewage pumping station on the site. We have completed a contract for enabling works on the site to endure both planning consents, including archaeological mapping of the site, demolition of redundant buildings, crushing the downtakings to be recycled within the development, spreading the spoil from the previous phases to remodel areas of the site not to be built on and preparing the surface water attenuation area which also serves phases 2 and 3 of the Brunstane development. We will shortly undertake some further geo-technical investigations to quantify the extent of any grouting of old shallow mining working. We anticipate that we will shortly receive the building warrant for the site, which will make this highly desirable site shovel-ready for construction.

The Company owns twelve rural development opportunities, nine in Perthshire and three in Fife, all of which are set in areas of high amenity where development is more controversial and therefore subject to wider objection, especially as such small developments, outwith màjor housing allocations, may not merit high priority for local authorities. We have endured planning consents on nine of those sites where planning consent has been granted. In November 2025 we sold the small area of ground on Mull where the prospects of obtaining planning consent seemed far off.

In accordance with legislation the accounts have been prepared in accordance with UK-adopted International Accounting Standards. As permitted by Section 408 of the Companies Act 2006, the profit and loss account of the parent Company is not presented as part of these financial statements.

Key Performance Indicators

The key financial performance indicators for the Group are net asset value, gross profit when developments are sold and maintaining a contribution to costs from rental activities.

Financial Performance

	Year ended 30 June 2025 £000	Year ended 30 June 2024 £000
Revenue	**395**	1,005
Gross Profit	**283**	352
Operating (loss) before investment property disposal and valuation movements	**(344)**	(771)
Group (loss) before and after tax	**(5,906)**	(987)
Net Assets	**17,079**	22,984

Strategic Report for the Year Ended 30 June 2025

Principal Risks and Uncertainties

There are a number of potential risks and uncertainties, which have been identified within the business and which could have a material impact on the Group's long-term performance.

Financial Risks
Credit, liquidity, market, interest rate and capital risks are dealt with in note 16 of the consolidated financial statements.

Development Risk
Market conditions including interest rate could depress the sales value of new homes. The Group monitors economic and property prospects and only proceeds with developments when the margin between cost and expected selling price is satisfactory.

The most significant risk to construction of developments is the financial failure of the building contractor. The Group mitigates against this risk by careful selection of contractors and by engaging professionals to monitor progress and financial outlays as on site work progresses.

Both risks are also mitigated as developments tend to be for small numbers of new homes and so the construction to sales period is relatively short.

Planning Risk
The risk is that planning permission is not obtained for sites acquired before planning permission has been granted. This risk is mitigated by a portfolio approach and acquiring sites without planning permission at prices which are close to current use values. Planning permissions are endured once permission has been obtained.

Property Values
The risk is that market conditions reduces the value of investment properties significantly. This risk is mitigated because three of the Group's four investment properties have development potential which insulates them against the full extent of any general investment downgrade in commercial property.

Availability of Funding
The risk is that external funding may not be available to finance developments. The relatively low cost of some development sites may not meet some banking criteria and increases the rate of interest sought by the lender. This is mitigated through funding from a related party loan and that, together with cash resources, should meet foreseen expenditure. As set out in note 15, an interest rate cap mitigates the risk of increasing interest rates.

Tenant Relationships
All property companies have exposure to the covenant of their tenants as rentals drive capital values as well as providing income. The Group seeks to minimise exposure to any single sector or tenant across the portfolio and continually monitors payment performance.

Environmental Policy
As a small organisation with a small number of staff working from a small office, we monitor our impact on the environment mainly through appropriate upgrading of rental properties and in the design and delivery of new homes. Professional advisers ensure we are aware of best practice.

Strategic Report for the Year Ended 30 June 2025

Principal Risks and Uncertainties (continued)

Environmental Policy (continued)
Buildings owned and let out are upgraded when they become vacant to the required EPC levels before re-letting. The houses which the Group delivers are designed to be energy efficient and

are environmentally sustainable. As proposals for sites are worked up, the Group seeks to consider environmental risks for each of the development sites. The majority of development sites are on brownfield land where as much as practicable of the material on site is recycled and re-used. Many risk factors are considered including flood risk, existing land contamination issues, archaeological assessment where appropriate, water pollution and biodiversity impacts which are assessed and addressed ensuring that we support the natural environment, mitigate adverse environmental impacts and enhance biodiversity where possible.

Future Developments

The Group's strategy continues to be the development of its sites whenever market conditions are favourable in the Edinburgh housing market and in the geographical extension north and east, while maximising the value of its investment portfolio.

Section 172 Compliance

Section 172 of the Companies Act 2006 imposes a general duty on every Director to act in a way they consider, in good faith, would be the most likely to promote the success of the Group and Company for the benefits of its shareholders as a whole. In doing so, Directors should have regard to several matters including:

a) The likely consequences of any decision in the long term;
b) The interests of the Company's employees;
c) The need to foster the Group and Company's business relationships with suppliers, customers and others;
d) The impact of the Group and Company's operations on the community and environment;
e) The desirability of the Group and Company maintaining a reputation for high standards of business conduct; and
f) The need to act fairly as between members of the Company.

The Board factors stakeholder interest into its long-term policies and objectives. The business of the Group and Company requires engagement with shareholders, customers and tenants, local planning authorities, employees and suppliers.

When considering stakeholder interest, the Board is responsible for ensuring that the long-term policies and objectives implemented allow the Group and Company to provide tenants with properties which meet their needs and to produce consistently high quality homes on its developments.

The Executive Director is responsible for the operations of the business while the Non-Executive Directors are independent and well positioned to provide objective judgement and scrutiny over decisions made by the Board.

Strategic Report for the Year Ended 30 June 2025

Section 172 Compliance (continued)

Understanding Shareholder Needs and Expectations

Investors have access to current information on the Company through its website, www.caledoniantrust.com, its annual accounts and through the directors who are available to answer investor related enquiries.

Shareholders may contact the Company via email (webmail@caledoniantrust.com), by telephone on 0131 220 0416 or in writing to the Company's Head Office, 61A North Castle Street, Edinburgh EH2 3LJ. Any information provided in response to any such enquiries will be information that is freely available in the public domain.

The Board dedicates sufficient time to ensure that communication is effective with shareholders and other key stakeholders. The Board believes the Company's mode of engaging with shareholders is adequate and effective.

Wider Stakeholder and Social Responsibilities

On the basis of the Director's knowledge and long experience of the operations of the Group the Board recognises that the long-term success of the Group is reliant upon the efforts of the employees of the Group, its professional advisors and its contractors. The directors engage directly on a regular basis with all these stakeholders which ensures that there is close Board oversight and contact with the Group's key resources and relationships.

Employees: The Group has two full and one part-time employee. The Executive Director is in regular contact with the Group's administrative staff / employees on a daily basis, which provides an opportunity for employees to discuss matters they wish to raise.

Customers: The Group aims to deliver quality homes and developments. It invests in strong design features and should any snagging work be required, it ensures rectification is completed quickly. The Group's interaction with its tenants is constructive and cordial and any contentious points are quickly resolved. The Group recognises the important role of all relevant Regulations and seeks to conform with both the spirit and the requirement of the regulations.

Suppliers and professional advisors: The Group engages contractors after appropriate formal and informal vetting, and for larger projects after formal tendering. The Executive Director meets with contractors regularly throughout projects to review their recommendations and to review progress. Advisors are selected on the basis of suitability and experience for the advice required. For each firm engaged an agreed nominated partner or director is responsible for the Group's instructions and advice who reports to the Directors as required.

Environment: The Board recognises the growing awareness and requirements in respect of environmental issues and is working with its professional advisors to promote an environmentally friendly approach to the design of its new developments.

Strategic Report for the Year Ended 30 June 2025

Wider Stakeholder and Social Responsibilities (continued)

The Group takes into account feedback received from its key stakeholders and considers making amendments to working arrangements and operational plans where appropriate and where such amendments are consistent with the Group's strategy and objectives. However, no material changes to the Group's working processes were required over the year to 30 June 2025, or more recently, as a result of stakeholder feedback received by the Company.

M J Baynham
Secretary
18 December 2025

Directors' Report for the Year Ended 30 June 2025

Directors

The directors who held office at the year end and their interests in the Company's share capital and outstanding loans with the Company at the year-end are set out below:

Beneficial Interests - Ordinary Shares of 20p each

	Percentage Held	**30 June 2025**	30 June 2024
		£	£
M J Baynham	6.2	**729,236**	729,236
R J Pearson	-	-	-
J McArthur	-	-	-

No rights to subscribe for shares or debentures of Group companies were granted to any of the directors or their immediate families or exercised by them during the financial year.

Directors' and Officers' Liability Insurance

With effect from 25 July 2025, Caledonian Trust Limited maintains Directors' and Officers' liability insurance for the activities of its group.

Results and Dividends

The results for the year are set out on page 14. Ordinary dividends were not paid in the year *(2024: £Nil)*. The directors do not recommend payment of a further dividend.

Disclosure of Information to Auditor

The directors who held office at the date of approval of the Directors' Report confirm that, so far as they are each aware, there is no relevant audit information of which the Group's auditor is unaware; and each director has taken all the steps that he ought to have taken as a director to make himself aware of any relevant audit information and to establish that the Group'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.

Auditor

Pursuant to Section 487(2) of the Companies Act 2006, the auditor will be deemed reappointed and Johnston Carmichael LLP will therefore continue in office.

By Order of the Board

M J Baynham
Secretary
18 December 2025

Directors' Responsibilities Statement in Respect of the Annual Report and Financial Statements

The directors are responsible for preparing the Annual Report and the Group and parent Company financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare Group and parent Company financial statements for each financial year. They are required to prepare the group financial statements in accordance with UK-adopted International Accounting Standards and applicable law and the directors have elected to prepare the parent company financial statements on the same basis.

The group financial statements are required by law and UK-adopted International Accounting Standards to present fairly the financial position and performance of the Group and Parent Company. The Companies Act 2006 provides in relation to such financial statements that references in the relevant part of that Act to financial statements giving a true and fair view are references to their achieving a fair presentation.

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 Group and parent Company and of the profit or loss of the Group for that period. In preparing each of the Group and parent Company financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgements and estimates that are reasonable and prudent;
- state whether they have been prepared in accordance with International Accounting Standards in conformity with the requirements of the Companies Act 2006; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Group and the parent Company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Group's and the parent Company's transactions and disclose with reasonable accuracy at any time the financial position of the Group and the parent Company and enable them to ensure that its financial statements comply with the Companies Act 2006. They have general responsibility for taking such steps as are reasonably open to them to safeguard the assets of the Group and parent Company and to prevent and detect fraud and other irregularities.

The directors are responsible for the maintenance and integrity of the corporate and financial information included on the website of Caledonian Trust Limited at www.caledoniantrust.com. Legislation in the UK governing the preparation and dissemination of financial statements may differ from legislation in other jurisdictions.

Independent Auditor's Report
to the Members of Caledonian Trust Limited

Opinion

We have audited the financial statements of Caledonian Trust Limited ('the parent company') and its subsidiaries ('the group') for the year ended 30 June 2025, which comprise the Consolidated Statement of Comprehensive Income, Consolidated Balance Sheet, Consolidated Statement of Changes in Equity, Consolidated Statement of Cash Flows, Company Balance Sheet, Company Statement of Changes in Equity, Company Cash Flow Statement and notes to the financial statements, including significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and UK-adopted international accounting standards.

In our opinion the financial statements:

- Give a true and fair view of the state of the group's and of the parent company's affairs as at 30 June 2025 and of the group's loss for the year then ended;
- Have been properly prepared in accordance with UK-adopted international accounting standards; and
- Have been prepared in accordance with the requirements of the Companies Act 2006.

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 responsibilities for the audit of the financial statements section of our report. We are independent of the group in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including 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 or 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 and Accounts other than the financial statements and our auditor's report thereon. The Directors are responsible for the other information contained within the Annual Report and Accounts. 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.

Independent Auditor's Report to the Members of Caledonian Trust Limited

We have nothing to report in this regard.

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.

Matters on which we are required to report by exception

In the light of the knowledge and understanding of the group and the parent company and their environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report or the Directors' Report.

We have nothing to report in respect of the following matters in relation to which the Companies Act 2006 requires us to report to you 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.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement set out on page 9, 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 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 parent company or to cease operations, or have no realistic alternative but to do so.

Auditor 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 Financial Reporting Council's website at: http://www.frc.org.uk/auditorsresponsibilities. This description forms part of our auditor's report.

Independent Auditor's Report
to the Members of Caledonian Trust Limited

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 assessed whether the engagement team collectively had the appropriate competence and capabilities to identify or recognise non-compliance with laws and regulations by considering their experience, past performance and support available.

All engagement team members were briefed on relevant identified laws and regulations and potential fraud risks at the planning stage of the audit. Engagement team members were reminded to remain alert to any indications of fraud or non-compliance with laws and regulations throughout the audit.

We obtained an understanding of the legal and regulatory frameworks that are applicable to the group and the parent company and the sector in which they operate, focusing on those provisions that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

- Companies Act 2006;
- UK Corporation Tax legislation (specify jurisdictions);
- UK-adopted international accounting standards; and
- VAT legislation.

We gained an understanding of how the group and the parent company are complying with these laws and regulations by making enquiries of management and those charged with governance. We corroborated these enquiries through our review of submitted returns and board meeting minutes.

We assessed the susceptibility of the group's and parent company's financial statements to material misstatement, including how fraud might occur, by meeting with management and those charged with governance to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management and those charged with governance were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management and those charged with governance oversee the implementation and operation of controls. In areas of the financial statements where the risks were considered to be higher, we performed procedures to address each identified risk. We identified a heightened fraud risk in relation to Management override of controls and Revenue recognition.

In addition to the above, the following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- Substantive analytical procedures over rental income, supported by agreement of a sample of rental revenue to relevant documentation, including agreement of a sample of transactions to underlying contracts and/or invoices and bank statements, ensuring income has been recorded in the correct period;
- Reviewing minutes of meetings of those charged with governance for reference to: breaches of laws and regulation or for any indication of any potential litigation and claims; and events or conditions that could indicate an incentive or pressure to commit fraud or provide an opportunity to commit fraud;

Independent Auditor's Report to the Members of Caledonian Trust Limited

- Reviewing the level of and reasoning behind the group's and parent company's procurement of legal and professional services
- Performing audit procedures over the risk of management override of controls, including testing of journal entries and other adjustments for appropriateness, evaluating the business rationale of significant transactions outside the normal course of business and assessing judgements made by management in their calculation of accounting estimates for potential management bias;
- Completion of appropriate checklists and use of our experience to assess the group and parent company's compliance with the Companies Act 2006; and
- Agreement of the financial statement disclosures to supporting documentation.

Our audit procedures were designed to respond to the risk of material misstatements in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve intentional concealment, forgery, collusion, omission or misrepresentation. There are inherent limitations in the audit procedures performed and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it.

Use of our report

This report is made solely to the parent 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 parent 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 parent company and the parent company's members as a body, for our audit work, for this report, or for the opinions we have formed.

Johnston Carmichael LLP

Grant Roger (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP
Statutory Auditor
7-11 Melville Street
Edinburgh
EH3 7PE
18 December 2025

Consolidated Statement of Comprehensive Income for the Year Ended 30 June 2025

	Note	2025 £000	2024 £000
Total Revenue	5	**395**	1,005
Cost of sales		**(112)**	(653)
Gross Profit		**283**	352
Administrative expenses		**(631)**	(690)
Other income		**4**	26
Net operating (loss) before investment property disposals and valuation movements		**(344)**	(312)
Loss on disposal of investment property	9	**(1)**	-
Valuation gains on investment properties	9	**-**	250
Valuation losses on investment properties	9	**(5,401)**	(709)
Net (loss) on investment properties		**(5,402)**	(459)
Net (loss) after investment property disposals and valuation movements	5	**(5,746)**	(771)
Financial income		**42**	16
Financial expenses	7	**(201)**	(232)
Net financing costs		**(159)**	(216)
(Loss) before taxation		**(5,905)**	(987)
Income tax	8	**-**	-
(Loss) and comprehensive (expenditure) for the financial year attributable to equity holders of the parent Company		**(5,905)**	(987)

The notes on pages 18 – 35 form an integral part of these financial statements.

Consolidated Balance Sheet as at 30 June 2025

	Note	2025 £000	2024 £000
Non-current assets			
Investment property	9	**11,165**	16,631
Plant and equipment	10	**2**	6
Investments	11	**-**	1
Total non-current assets		**11,167**	16,638
Current assets			
Trading properties	12	**9,172**	9,088
Trade and other receivables	13	**109**	134
Cash and cash equivalents		**1,279**	1,841
Total current assets		**10,560**	11,063
Total assets		**21,727**	27,701
Current liabilities			
Trade and other payables	14	**(628)**	(697)
Non-current liabilities			
Interest bearing loans and borrowings	15	**(4,020)**	(4,020)
Total liabilities		**(4,648)**	(4,717)
Net assets		**17,079**	22,984
Equity			
Issued share capital	19	**2,357**	2,357
Capital redemption reserve	20	**175**	175
Share premium account	20	**2,745**	2,745
Retained earnings	20	**11,802**	17,707
Total equity attributable to equity holders of the parent Company		**17,079**	22,984

The financial statements were approved by the board of directors on 18 December 2025 and signed on its behalf by:

MJ Baynham
Director
The notes on pages 18 - 35 form an integral part of these financial statements.

Consolidated Statement of Changes in Equity as at 30 June 2025

	Issued Share Capital £000	Capital Redemption Reserve £000	Share Premium Account £000	Retained Earnings £000	Total £000
At 1 July 2023	2,357	175	2,745	18,694	23,971
(Loss) and total comprehensive expenditure for the year	-	-	-	(987)	(987)
At 30 June 2024	2,357	175	2,745	17,707	22,984
(Loss) and total comprehensive expenditure for the year	-	-	-	**(5,905)**	**(5,905)**
At 30 June 2025	**2,357**	**175**	**2,745**	**11,802**	**17,079**

Consolidated Statement of Cashflows for the Year Ended 30 June 2025

	Note	2025 £000	2024 £000
Cash flows from operating activities			
(Loss) for the year		**(5,905)**	(987)
Adjustments for:			
Net loss on revaluation of investment properties		**5,401**	459
Depreciation		**2**	5
Loss on disposal of investment property		**1**	-
Loss on disposal of other fixed assets		**3**	-
Net finance expense		**159**	216
Net operating cash flows before movements in working capital		**(339)**	(307)
(Increase)/decrease in trading properties		**(84)**	363
Decrease in trade and other receivables		**25**	20
(Decrease)/increase in trade and other payables		**(73)**	52
Cash (absorbed by)/generated from operations		**(471)**	128
Interest received		**42**	16
Interest paid		**(197)**	(255)
Net cash (outflow) from operating activities		**(626)**	(111)
Investing activities			
Acquisition of property, plant and equipment		**(1)**	(1)
Proceeds of disposal of investment property		**64**	-
Proceeds of disposal of listed investments		**1**	-
Cash flows generated from/(absorbed by) investing activities		**64**	(1)
Net (decrease) in cash and cash equivalents		**(562)**	(112)
Cash and cash equivalents at beginning of year		**1,841**	1,953
Cash and cash equivalents at end of year		**1,279**	1,841

Notes to the Consolidated Financial Statements as at 30 June 2025

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1. Reporting Entity

Caledonian Trust Limited is a private company incorporated in England and domiciled in the United Kingdom. The consolidated financial statements of the company for the year ended 30 June 2025 comprise the Company and its subsidiaries as listed in note 8 in the parent Company's financial statements (together referred to as "the Group"). The Group's principal activities are the holding of property for both investment and development purposes. The registered office is c/o Womble Bond Dickinson, The Spark, Draymans Way, Newcastle Helix, Newcastle upon Tyne, NE4 5DE and the principal place of business is 61a North Castle Street, Edinburgh EH2 3LJ.

2. Statement of Compliance

The Group financial statements have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards. The company has elected to prepare its parent Company financial statements in accordance with UK-adopted International Accounting Standards; these are presented on pages 36 to 51.

The Group has adopted all the standards and amendments to existing standards which are mandatory for accounting periods beginning on 1 July 2024.

There are no amendments to accounting standards or IFRS interpretations that are effective for the year ended 30 June 2025 that have had a material impact on the financial statements and that have had impact on the Group's accounting policies. Furthermore, there are no amendments, as yet endorsed within the UK, to accounting standards or IFRS interpretations for periods commencing on or after 1 January 2025 that the directors of the Company expect to have a material impact on the financial statements.

3. Basis of Preparation

The financial statements are prepared on the historical cost basis except for investments and investment properties which are measured at their fair value.

The preparation of the financial statements in conformity with UK-adopted International Accounting Standards requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been presented in pounds sterling which is the functional currency of all companies within the group. All financial information has been rounded to the nearest thousand pounds.

Going concern

The financial position of the Group, its cash flows, liquidity position and borrowing facilities are described in note 16 to the consolidated financial statements.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

3. Basis of Preparation (continued)

Going concern (continued)

In addition, note 16 to the financial statements includes the Group's objectives, policies and processes for managing its capital; its financial risk management objectives; details of its financial instruments; and its exposures to credit risk and liquidity risk.

The Group and parent Company finance their day to day working capital requirements through related party loans and bank funding is considered for specific development projects. The related party lender has indicated its willingness to continue to provide financial support and not to demand repayment of its loan before 31 December 2026.

The directors have prepared cash flow projections for the period ending twelve months from the date of their approval of these financial statements. The Group's cash reserves and existing loan arrangements are expected to be sufficient for the Group's cash flow needs for that period.

For these reasons they continue to adopt the going concern basis in preparing the financial statements.

Areas of Estimation Uncertainty and Critical Judgements

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is contained in the following notes:

Estimates

- *Valuation of investment properties (note 9)*
  The fair value has been based on a third party valuation provided by an external independent valuer as at 30 June 2025. The independent valuation is based on assumptions including future rental income, anticipated void costs, the appropriate discount rate or yield and the potential for redevelopment. The fair value of a property is deemed to be the estimated amount for which a property should exchange, on the date of valuation, in an arm-length transaction.

- *Valuation of trading properties (note 12)*
  Trading properties are carried at the lower of cost and net realisable value. The net realisable value of such properties is based on the amount the company is likely to achieve in a sale to a third party. This is then dependent on availability of planning consent and demand for sites which is influenced by the housing and property markets.

Judgements

- *Deferred Tax (note 18)*
  The Group's unrecognised deferred tax asset relates to tax losses being carried forward and to differences between the carrying value of investment properties and their original tax base. A decision has been taken not to recognise the asset on the basis of uncertainty regarding the availability and timing of future taxable profits.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

4. Accounting Policies

The accounting policies below have been applied consistently to all periods presented in these consolidated financial statements.

Basis of Consolidation

The financial statements incorporate the financial statements of the parent Company and all its subsidiaries all of which have the same accounting date (see parent Company note 8). Subsidiaries are entities controlled by the Group. Control exists when the Group has a) power over the investee; b) exposure or rights to variable returns from its involvement with the investee; and c) the ability to use its power over the investee to affect the amount of the investor's returns. The financial statements of subsidiaries are included in the consolidated financial statements from the date that control commences until the date it ceases. Inter-company balances are eliminated on consolidation.

Revenue

Revenue is the amount derived from ordinary activities, stated after any discounts, other sales taxes and net of VAT.

Revenue from the sale of trading properties and gains/(losses) on sale of investment properties and are recognised in the statement of comprehensive income on legal completion, being the date on which control passes to the buyer. Standard payments terms are for payment to be received contemporaneously with completion.

Rental income from properties leased out under operating leases is recognised in the statement of comprehensive income on a straight-line basis over the term of the lease. Costs of obtaining a lease and lease incentives granted are recognised as an integral part of total rental income and spread over the period from commencement of the lease to the earliest termination date on a straight-line basis. Standard payment terms for rent is payment in advance of the period to which it relates.

Other Income

Other income comprises miscellaneous income recognised on receipt.

Finance Income and Expenses

Finance income and expenses comprise interest payable on bank loans and other borrowings. All borrowing costs are recognised in the statement of comprehensive income using the effective interest rate method. Interest income represents income on bank deposits using the effective interest rate method.

Equity Instruments

Equity instruments issued by the company are recorded at the proceeds received, net of direct issue costs. Dividends payable on equity instruments are recognised as liabilities once they are no longer at the discretion of the company.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

4. Accounting Policies (continued)

Taxation

Income tax on the profit or loss for the year comprises current and deferred tax. Income tax is recognised in the statement of comprehensive income except to the extent that it relates to items recognised directly in equity, in which case the charge / credit is recognised in equity. Current tax is the expected tax payable on taxable income for the current year, using tax rates enacted or substantively enacted at the reporting date, adjusted for prior years under and over provisions.

Deferred tax is calculated using the balance sheet liability method in respect of all temporary differences between the values at which assets and liabilities are recorded in the financial statements and their cost base for taxation purposes. Deferred tax includes current tax losses which can be offset against future capital gains. As the carrying value of the Group's investment properties is expected to be recovered through eventual sale rather than rentals, the tax base is calculated as the cost of the asset plus indexation. Indexation is taken into account to reduce any liability but does not create a deferred tax asset. A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised.

Investment Properties

Investment properties are properties which are held either to earn rental income or for capital appreciation or for both. Investment properties are recognised initially at cost.

Subsequent to initial recognition:

i. investment properties whose fair value can be measured reliably are held at fair value. Any gains or losses arising from changes in the fair value are recognised in the statement of comprehensive income in the period that they arise; and

ii. no depreciation is provided in respect of investment properties applying the fair value model.

Rental income from investment property is accounted for as described in the Revenue accounting policy.

Investment property is measured at fair value at each balance sheet date. The directors assess market value at each balance sheet date and external independent professional valuations are prepared at least once every three years. The fair values are based on market values, being the estimated price that would be received to sell an asset or transfer a liability in an orderly transaction between market participants at the measurement date.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

4. Accounting Policies (continued)

Trading Properties

Trading properties held with a view to development or subsequent disposal are stated at the lower of cost or net realisable value. Initial and development cost is calculated by reference to invoice price plus directly attributable professional fees. Interest and other finance costs on borrowings specific to a development are capitalised through stock and work in progress and transferred to cost of sales on disposal. Net realisable value is based on estimated selling price less estimated cost of disposal.

Financial Instruments

The Group had no hedge relationships at 1 July 2023, 30 June 2024 or 30 June 2025.

Financial Assets

Investments

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Current Receivables

Trade and other receivables are recognised initially at transaction price. Subsequent to initial recognition they are measured at amortised cost using the effective interest method less any impairment losses.

Cash and Cash Equivalents

Cash includes cash in hand, deposits held at call (or with a maturity of less than 3 months) with banks.

Financial Liabilities

Current Payables

Trade payables are non-interest-bearing and are initially measured at transaction price and thereafter at amortised cost.

Interest Bearing Loans and Borrowings

Interest-bearing loans and bank overdrafts are initially carried at transaction price less allowable transactions costs and then at amortised cost.

Changes in Accounting Policies

No new accounting standards and interpretations have been endorsed within the UK.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

5. Operating (loss)

	2025	2024
	£000	£000
Revenue comprises: -		
Rental income from investment properties	395	345
Sale of development properties	-	660
	395	1,005

All revenue is derived from the United Kingdom. Details of performance obligations and payment terms are disclosed in accounting policy 4, *Revenue*.

	2025	2024
	£000	£000
Rental income from investment properties	395	345
Direct operating expenses		
- for properties generating income	(59)	(122)
- for properties not generating income	(53)	(29)
Gross Profit	283	194

	2025	2024
	£000	£000
Sale of development properties	-	660
Cost of development property sales	-	(502)
Gross Profit	-	158

	2025	2024
	£000	£000
The operating profit is stated after charging: -		
Depreciation	2	5
Amounts received by auditors and their associates in respect of:		
- Audit of these financial statements (Group and Company)	15	21
- Audit of financial statements of subsidiaries pursuant to legislation	15	15

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

6. Employees and Employees Benefits

	2025 £000	2024 £000
Employee remuneration		
Wages and salaries	275	358
Social security costs	26	36
Other pension costs	27	28
	328	422

Other pension costs represent contributions to defined contribution plans.

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

	No.	No.
Management	2	2
Administration	2	3
	4	5

	2025 £000	2024 £000
Remuneration of directors		
Directors' emoluments	202	263
Company contributions to money purchase pension schemes	25	25
	227	288

Key management personnel are the directors, as listed above. The total remuneration of key management personnel, including social security cost, in the year was £259,000 *(2024: £319,000)*.

	2025 £000	2024 £000
Highest paid director (included above)		
Management remuneration	170	199
Pension contributions to money purchase schemes	25	25
	195	224

	2025	2024
Retirement benefits are accruing to the following number of directors under:		
Money purchase schemes	1	1

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

7. Finance Expenses

	2025	2024
	£000	£000
Interest payable:		
- Other loan interest	**201**	232

8. Income Tax

There was no current nor deferred tax charge in the current or preceding year.

Reconciliation of Effective Tax Rate

	2025	2024
	£000	£000
(Loss) before tax	**(5,905)**	(987)
Current tax at 25% *(2024: 25%)*	**(1,476)**	(247)
Effects of:		
Expenses not deductible for tax purposes	**7**	15
Excess of capital allowances over depreciation	**(2)**	(3)
Losses carried forward	**121**	120
Revaluation of property not taxable	**1,350**	115
Total tax charge	**-**	-

From 1 April 2023, the rate of UK corporation tax rate is 25%. Deferred tax has been calculated at 25% as this is the rate effective in the period it is expected to reverse.

In the case of deferred tax in relation to investment property revaluation surpluses, the base cost used is historical book cost and includes allowances or deductions which may be available to reduce the actual tax liability which would crystallise in the event of a disposal of the asset (see note 18).

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

9. Investment Properties

	2025	2024
	£000	£000
Valuation		
At 1 July	**16,631**	17,090
Sold in year	**(65)**	-
Fair value (loss) in year	**(5,401)**	(459)
Valuation at 30 June	**11,165**	16,631

The carrying value of investment property is the fair value at the balance sheet date based on valuations by Montagu Evans, Chartered Surveyors as at 30 June 2025. The external valuer is not connected with the Group.

The valuation methodology applied by the external valuers was in accordance with the RICS Valuation Global Standards effective from 31 January 2022 which is consistent with the required IFRS 13 methodology. IFRS 13 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market sector participants at the measurement date. The properties were valued individually and not as part of a portfolio.

The historical cost of investment properties held at 30 June 2025 is £8,522,000 (2024: £8,806,000). The cumulative amount of interest capitalised and included within historical cost in respect of the Group's investment properties is £451,000 (2024: £451,000).

Valuations were based on vacant possession, rental yields or residual (development) appraisal rather than investment income in order to achieve the highest and best use value. To obtain the residual valuation the end development value is discounted by profit for a developer and cost to build to reach the base estimated market value of the investment. Only two properties were valued using an appropriate yield with allowance for letting voids, rent free periods and letting/holding costs for vacant accommodation and early lease expiries/break options, together with a deduction for purchaser's acquisition costs in accordance with market practice. The resulting net yields have also been assessed as a useful benchmark. Yields of 9% and 11.25% were applied respectively.

Assuming all else stayed the same, a decrease in net rental income or estimated future rent will result in a decrease in the fair value whereas a decrease in the yields will result in an increase in fair value. A decrease of 1% in the yields would result in an increase in valuation of £140,000 (*2024: £174,000*). An increase of 1% in the yields would result in a decrease in the fair value of £115,000 (*2024: £146,000*).

All the investment properties have been categorised as Level 2 in both years as defined by IFRS 13 Fair Value Measurement. Level 2 means that management's assessment is based on comparisons to market data other than quoted prices that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

The amount of unrealised gains or losses on investment properties is charged to the statement of comprehensive income as the movement in fair value of investment property. For the year to 30 June 2025 this was a fair value loss of £5,401,000 *(2024: loss £459,000)*. There was a realised loss on the disposal of an investment property in the year of £1,000 (2024: £Nil).

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

10. Plant and Equipment

	Motor Vehicles £000	Fixtures and Fittings £000	Other Equipment £000	Total £000
Cost				
At 30 June 2023	1	28	73	102
Addition in year	-	1	-	1
At 30 June 2024	1	29	73	103
Depreciation				
At 30 June 2023	1	22	69	92
Charge for year	-	4	1	5
At 30 June 2024	1	26	70	97
Net Book Value				
At 30 June 2024	-	3	3	6

	Motor Vehicles £000	Fixtures and Fittings £000	Other Equipment £000	Total £000
Cost				
At 30 June 2024	1	29	73	103
Additions in year	-	1	-	1
Scrapped in year	-	-	(4)	(4)
At 30 June 2025	1	30	69	100
Depreciation				
At 30 June 2024	1	26	70	97
Charge for year	-	2	-	2
Scrapped in year	-	-	(1)	(1)
At 30 June 2025	1	28	69	98
Net Book Value				
At 30 June 2025	-	**2**	-	**2**

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

11. Listed Investments

	2025 £000	2024 £000
At start of year	**1**	1
Sold in year	**(1)**	-
At end of year	**-**	1

12. Trading Properties

	2025 £000	2024 £000
At start of year	**9,088**	9,451
Additions	**84**	139
Sold in year	**-**	(502)
At end of year	**9,172**	9,088

13. Trade and Other Receivables

	2025 £000	2024 £000
Amounts falling due within one year		
Trade receivables	**67**	84
Prepayments and accrued income	**42**	50
	109	134

The Group's exposure to credit risks and impairment losses relating to receivables is given in note 16.

14. Trade and Other Payables

	2025 £000	2024 £000
Trade creditors	**39**	18
Other creditors including taxation	**27**	19
Accruals and deferred income	**562**	660
	628	697

The Group's exposure to currency and liquidity risk relating to trade payables is disclosed in note 16.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

15. Other Interest Bearing Loans and Borrowings

The Group's interest bearing loans and borrowings are measured at amortised cost. More information about the Group's exposure to interest rate risk and liquidity risk is given in note 16.

	2025	2024
	£000	£000
Non-current liabilities		
Unsecured loans	**4,020**	4,020

Net debt reconciliation

	2025	2024
	£000	£000
Cash and cash equivalents	**1,279**	1,841
Liquid investments (note 11)	**-**	1
Borrowings – repayable after one year (note 15)	**(4,020)**	(4,020)
Net debt	**(2,741)**	(2,178)

	Cash/Bank overdraft	**Liquid Investments**	**Borrowing Due After 1 Year**	**Total**
	£000	**£000**	**£000**	**£000**
Net debt at 30 June 2023	1,953	1	(4,020)	(2,066)
Cashflows	(112)	-	-	(112)
Net debt at 30 June 2024	1,841	1	(4,020)	(2,178)
Cashflows	(562)	(1)	-	(563)
Net debt at 30 June 2025	**1,279**	**-**	**(4,020)**	**(2,741)**

Terms and debt repayment schedule
Terms and conditions of outstanding loans were as follows:

			2025		2024	
	Currency	Nominal Interest Rate	**Fair Value**	**Carrying Amount**	Fair Value	Carrying Amount
			£000	**£000**	£000	£000
Unsecured loan	GBP	Capped 5%	**4,020**	**4,020**	4,020	4,020

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

15. Other Interest Bearing Loans and Borrowings (continued)

The unsecured loan of £4,020,000 is from Leafrealm Limited and is repayable in 12 months and one day after the giving of notice by the lender. Interest was charged at 3% over the Bank of Scotland base rate until 10 October 2023 when the terms were amended to a margin of 2% over the Bank of Scotland base rate, capped at 5% overall and with a minimum rate, including margin, of 2%. Leafrealm Limited retains the right to require the interest rate to return to 3% over the Bank of Scotland base rate and the maximum and minimum cap to be varied at any time on the giving of not less than 3 months' notice.

The weighted average interest rate of the floating rate borrowings was 5.0% *(2024: 5.9%)*

16. Financial Instruments

Financial assets are measured at amortised cost.

Fair values

Fair values versus carrying amounts

The fair values of financial assets and liabilities are not different to the carrying values shown in the balance sheet.

Estimation of fair values

The following methods and assumptions were used to estimate the fair values shown above:

Trade and other receivables/payables – the fair value of receivables and payables with a remaining life of less than one year is deemed to be the same as the book value.

Cash and cash equivalents – the fair value is deemed to be the same as the carrying amount due to the short maturity of these instruments.

Other loans – the fair value is calculated by discounting the expected future cashflows at prevailing interest rates.

Overview of risks from its use of financial instruments
The Group has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of the Group's risk management framework and oversees compliance with the Group's risk management policies and procedures and reviews the adequacy of the risk management framework in relation to the risks faced by the Group.

The Board's policy is to maintain a strong capital base so as to cover all liabilities and to maintain the business and to sustain its development.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

16. Financial Instruments (continued)

The Board of Directors also considers whether or not dividends should be paid to ordinary shareholders.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Group's principal financial instruments comprise cash, short term deposits and loan finance. The main purpose of these financial instruments is to finance the Group's operations.

As the Group operates wholly within the United Kingdom, there is currently no exposure to currency risk.

The main risks arising from the Group's financial instruments are interest rate risks and liquidity risks. The board reviews and agrees policies for managing each of these risks, which are summarised below:

Credit risk

Credit risk is the risk of financial loss to the Group if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises principally from the Group's receivables from customers, cash held at banks and its investments.

Trade and other receivables

Trade receivables consist of amounts due from tenants and purchasers of investment property along with a balance due from a company in which the Group holds a minority investment.

Investments

The Group does not actively trade in equity investments.

Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Value	
	2025	2024
	£000	£000
Investments (note 11)	**-**	1
Trade receivables (note 13)	**67**	84
	67	85

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

16. Financial Instruments (continued)

Credit risk (continued)

The Group made an allowance for impairment on receivables of £87,700 (*2024: £82,780*). As at 30 June 2025, receivables of £38,000 (*2024: £41,000*) were past due but not impaired. These are long standing tenants of the Group and the indications are that they will meet their payment obligations for receivables which are recognised in the balance sheet that are past due and unprovided. The ageing analysis of these receivables is as follows:

	2025	2024
	£000	£000
Number of days past due date		
Less than 30 days	**18**	16
Between 60 and 90 days	**4**	7
Over 90 days	**16**	18
	38	41

Credit risk for receivables at the reporting date was all in relation to property tenants in United Kingdom. The Group's exposure is spread across a number of customers and sums past due relate to 6 tenants (*2024: 6 tenants*). One tenant accounts for 38% (*2024: 41%*) of the receivables past due by more than 90 days.

Liquidity Risk

Liquidity risk is the risk that the Group will not be able to meet its financial obligations as they fall due. The Group's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due without incurring unacceptable losses or risking damage to the Group's reputation. Whilst the directors cannot envisage all possible circumstances, the directors believe that, taking account of reasonably foreseeable adverse movements in rental income, interest or property values, the Group has sufficient resources available to enable it to do so.

The Group's exposure to liquidity risk is given below.

30 June 2025 £000	**Carrying Amount**	**Contractual Cashflows**	**6 Months or Less**	**6-12 Months**	**2-5 Years**
Unsecured loan	4,020	4,171	50	101	4,020
Trade and other payables	628	628	341	287	-

30 June 2024 £000	**Carrying Amount**	**Contractual Cashflows**	**6 Months or Less**	**6-12 Months**	**2-5 Years**
Unsecured loan	4,020	4,171	50	101	4,020
Trade and other payables	697	697	410	287	-

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

16. Financial Instruments (continued)

Liquidity Risk (continued)

Market Risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Group borrowings are at floating rates of interest based on the Bank of Scotland base rate. The interest rate profile of the Group's borrowings as at the year-end was as follows:

	2025	2024
	£000	£000
Unsecured loan – Base +2%, capped overall at 5%	**4,020**	4,020

The effect of the interest rate cap described in note 15 is to reduce the interest rate and there would be no further change in the Group's sensitivity to an increase or decrease in base rate movements of up to 1%, which the Directors consider to be a reasonably possible change.

Should Leafrealm Limited amend the margin from 2% to 3% and change the caps, any 1% movement would be expected to change the Group's annual net interest charge by £40,200 (£40,200).

Capital Risk

For the purpose of the Group's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent. The total value of capital as set out on page 16 at 30 June 2025 is £17,079,000 (*2024: £22,984,000*). The Group is not subject to any externally imposed capital requirements.

17. Operating Leases

Leases as lessors

The Group leases out its investment properties under operating leases. Operating leases are those in which substantially all the risks and rewards of ownership are retained by the lessor. Payments, including prepayments made under operating leases (net of any incentives such as rent free periods) are charged to the statement of comprehensive income on a straight line basis over the period of the lease. The future minimum receipts under non-cancellable operating leases are as follows:

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

17. Operating Leases (continued)

	2025	2024
	£000	£000
Less than one year	**207**	210
1 – 2 years	**89**	92
2 – 3 years	**87**	82
3 – 4 years	**87**	81
4 – 5 years	**81**	81
Over 5 years	**160**	241
	711	787

The amounts recognised in income and costs for operating leases are shown on the face of the statement of comprehensive income.

18. Deferred Tax

At 30 June 2025, the Group has a potential deferred tax asset of £1,919,000 *(2024: £1,775,000)* of which £126,000 *(2024: £156,000)* relates to differences between the carrying value of investment properties and the tax base. In addition, the Group has tax losses which would result in a deferred tax asset of £1,793,000 (*2024: £1,619,000*). This has not been recognised due to uncertainty regarding the availability and timing of future taxable profits.

Movement in unrecognised deferred tax asset

	Balance 1 July 2023 at 25%	Additions / (Reductions)	Balance 30 June 2024 at 25%	Additions / (Reductions)	**Balance 30 June 2025 at 25%**
	£000	£000	£000	£000	**£000**
Investment properties	113	43	156	(30)	**126**
Tax losses	1,494	125	1,619	174	**1,793**
Total	1,607	168	1,775	144	**1,919**

Tax losses are available indefinitely under current tax law.

19. Issued Share Capital

	30 June 2025		30 June 2024	
	No.	£000	No.	£000
Issued and fully paid				
Ordinary shares of 20p each	11,783,577	2,357	11,783,577	2,357

Holders of ordinary shares are entitled to dividends declared from time to time, to one vote per ordinary share and a share of any distribution of the Company's assets.

Notes to the Consolidated Financial Statements as at 30 June 2025 (continued)

20. Capital and Reserves

The capital redemption reserve arose in prior years on redemption of share capital. The reserve is not distributable.

The share premium account is used to record the issue of share capital above par value. This reserve is not distributable.

Retained earnings are the accumulated profits and losses of the Group.

21. Ultimate Controlling Party

The ultimate controlling party was Mr I D Lowe until his death on 5 January 2025. His executors, Mr J McArthur of Gillespie Macandrew LLP and Mr P Wigham, now exert significant influence over the company.

22. Related Parties

Transactions with key management personnel

Transactions with key management personnel consist of compensation for services provided to the Company. Details are given in note 6.

Other related party transactions

The parent company has a related party relationship with its subsidiaries.

The Group and Company has an unsecured loan due to Leafrealm Limited, a company of which I D Lowe was the controlling shareholder. The balance due to this party at 30 June 2025 was £4,020,000 (*2024: £4,020,000*) with interest payable at 3% over Bank of Scotland base rate per annum from 1 July 2023 to 9 October 2023. With effect from 10 October 2023 the terms were amended to a margin of 2% over the Bank of Scotland base rate, capped at 5% overall and with a minimum rate of 2%. Interest charged in the year amounted to £201,000 *(2024: £232,444).*

22. Related Parties (continued)

Lowe Dalkeith Farms, a business wholly owned by I D Lowe and now managed by his executors, provided equipment used in the maintenance of the Group's investment and development sites. The value of the equipment hire from Lowe Dalkeith Farms charged in the accounts for the year to 30 June 2025 amounts to £314 (*2024: £1,682*) at rates which do not exceed normal commercial rates. The balance payable to Lowe Dalkeith Farms in respect of invoices for this work at 30 June 2025 was £Nil (*2024: £2,018*).

For a full listing of investments and subsidiary undertakings please see note 8 of the parent Company financial statements.

Company Balance Sheet at 30 June 2025

	Note	2025 £000	2024 £000
Non-current assets			
Investment properties	6	**1,515**	1,650
Plant and equipment	7	**2**	6
Investments	8	**-**	1
Total non-current assets		**1,517**	1,657
Current assets			
Trading properties	9	**1,360**	1,358
Trade and other receivables	10	**119**	150
Amounts due by subsidiaries	10	**13,727**	17,036
Cash and cash equivalents		**951**	1,606
Total current assets		**16,157**	20,150
Total assets		**17,674**	21,807
Current liabilities			
Trade and other payables	11	**(1,784)**	(1,909)
Non-current liabilities			
Interest bearing loans and borrowings	12	**(4,020)**	(4,020)
Total liabilities		**(5,804)**	(5,929)
Net assets		**11,870**	15,878
Equity			
Issued share capital	15	**2,357**	2,357
Capital redemption reserve	16	**175**	175
Share premium account	16	**2,745**	2,745
Retained earnings	16	**6,593**	10,601
Total equity attributable to equity holders		**11,870**	15,878

As permitted by Section 408 of the Companies Act 2006, the parent Company has not presented its own profit and loss account and related notes. The parent Company's loss for the financial period after taxation was £4,008,000 (*2024: loss £753,000*). The financial statements were approved by the board of directors on 18 December 2025 and signed on its behalf by:

M J Baynham
Director

The notes on pages 39 - 51 form an integral part of these financial statements.

Company Statement of Changes in Equity as at 30 June 2025

	Issued Share Capital £000	Capital Redemption Reserve £000	Share Premium Account £000	Retained Earnings £000	Total £000
At 1 July 2023	2,357	175	2,745	11,354	16,631
(Loss) and total comprehensive expenditure for the year	-	-	-	(753)	(753)
At 30 June 2024	2,357	175	2,745	10,601	15,878
(Loss) and total comprehensive expenditure for the year	-	-	-	**(4,008)**	**(4,008)**
At 30 June 2025	**2,357**	**175**	**2,745**	**6,593**	**11,870**

Company Cashflow Statement for the Year Ended 30 June 2025

	2025 £000	2024 £000
Cash flows from operating activities		
(Loss) for the year	**(4,008)**	(753)
Adjustments for:		
Loss on fair value adjustment of investment property	**135**	40
Depreciation	**2**	5
Loss on disposal of fixed assets	**3**	-
Net finance expense	**159**	216
Operating cash flows before movements in working capital	**(3,709)**	(492)
Increase in trading properties	**(2)**	-
Decrease in trade and other receivables	**3,340**	1,004
(Decrease)/increase in trade and other payables	**(129)**	181
Cash (absorbed by)/generated from operations	**(500)**	693
Interest received	**42**	16
Interest paid	**(197)**	(255)
Net cash (outflow)/inflow from operating activities	**(655)**	454
Investing activities		
Acquisition of property, plant and equipment	**(1)**	(1)
Proceeds of sale of listed investments	**1**	-
Cash flows (absorbed by) investing activities	**-**	(1)
Net (decrease)/increase in cash and cash equivalents	**(655)**	453
Cash and cash equivalents at beginning of year	**1,606**	1,153
Cash and cash equivalents at end of year	**951**	1,606

Notes to the Parent Company Financial Statements (continued)

1. Reporting Entity

Caledonian Trust Limited is a public limited company incorporated in England and domiciled in the United Kingdom. The Company's principal activities are the holding of property for both investment and development purposes. The registered office is c/o Womble Bond Dickinson, The Spark, Draymans Way, Newcastle Helix, Newcastle upon Tyne, NE4 5DE and the principal place of business is 61a North Castle Street, Edinburgh, EH2 3LJ.

2. Statement of Compliance

The parent Company financial statements have been prepared and approved by the directors in accordance with UK-adopted International Accounting Standards.

The Company has adopted all the standards and amendments to existing standards which are mandatory for accounting periods beginning on 1 July 2024.

There are no amendments to accounting standards or IFRS interpretations that are effective for the year ended 30 June 2025 that have had a material impact on the financial statements and that have had impact on the Group's accounting policies. Furthermore, there are no amendments to accounting standards or IFRS interpretations for periods commencing on or after 1 January 2025 that the directors of the Company expect to have a material impact on the financial statements.

3. Basis of Preparation

The financial statements are prepared on the historical cost basis except for equity investments and investment properties which are measured at their fair value.

The preparation of the financial statements in accordance with UK-adopted International Accounting Standards requires the directors to make judgements, estimates and assumptions that affect the application of policies and reported amounts of assets and liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements about carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates.

These financial statements have been presented in pounds sterling which is the functional currency of all companies within the Group. All financial information has been rounded to the nearest pounds thousand.

Going concern

The parent Company finances its day to day working capital requirements through related party loans and bank funding is considered for specific development projects. The related party lender has indicated its willingness to continue to provide financial support and not to demand repayment of its loan before 31 December 2026.

The directors have prepared cash flow projections for the period ending twelve months from the date of their approval of these financial statements. The Company's cash reserves and existing loan arrangements are expected to be sufficient for the Company's cash flow needs for that period.

Notes to the Parent Company Financial Statements (continued)

3. Basis of Preparation (continued)

For these reasons they continue to adopt the going concern basis in preparing the financial statements.

Areas of Estimation Uncertainty and Critical Judgements

Information about significant areas of estimation uncertainty and critical judgements in applying accounting policies that have the most significant effect on the amount recognised in the financial statements is contained in the following notes:

Estimates

- *Valuation of investment properties (note 6)*
  The fair value has been based on a third party valuation provided by an external independent valuer as at 30 June 2025. The independent valuation is based on assumptions including future rental income, anticipated void costs, the appropriate discount rate or yield and the potential for redevelopment. The fair value of a property is deemed to be the estimated amount for which a property should exchange, on the date of valuation, in an arm-length transaction.

- *Valuation of trading properties (note 9)*
  Trading properties are carried at the lower of cost and net realisable value. The net realisable value of such properties is based on the amount the company is likely to achieve in a sale to a third party. This is then dependent on availability of planning consent and demand for sites which is influenced by the housing and property markets.

Judgements

- *Deferred Tax (note 14)*
  The Company's unrecognised deferred tax asset relates to tax losses being carried forward and to differences between the carrying value of investment properties and their original tax base. A decision has been taken not to recognise the asset on the basis of uncertainty regarding the availability and timing of future taxable profits.

4. Accounting policies

The Company has applied the group accounting policies and also the following policy to all periods presented in these financial statements:

Financial Assets

Investments

Interests in subsidiaries are initially measured at cost and subsequently measured at cost less any accumulated impairment losses. The investments are assessed for impairment losses at each reporting date and any impairment losses or reversals of impairment losses are recognised immediately in the profit and loss statement.

A subsidiary is an entity controlled by the company. Control is the power to govern the financial and operating policies of the entity so as to obtain benefits from its activities.

Notes to the Parent Company Financial Statements (continued)

4. Accounting Policies (continued)

Changes in Accounting Policies

No new accounting standards and interpretations have been endorsed within the UK.

5. Employees

	2025	2024
Average number of employees	**4**	**6**

6. Investment Properties

	2025	2024
	£000	£000
Valuation		
At start of year	**1,650**	**1,690**
Fair value (loss) in year	**(135)**	**(40)**
Valuation at 30 June 2025	**1,515**	**1,650**

The carrying value of investment property is the fair value at the balance sheet date based on valuations by Montagu Evans, Chartered Surveyors as at 30 June 2025. The external valuer is not connected with the Company.

The valuation methodology applied by the directors and the external valuers was in accordance with the RICS Valuation Global Standards effective from 31 January 2022 which is consistent with the required IFRS 13 methodology. IFRS 13 defines fair value as the price that would be received to sell an asset or paid

to transfer a liability in an orderly transaction between market sector participants at the measurement date. The properties were valued individually and not as part of a portfolio.

The historical cost of investment properties held at 30 June 2025 is £1,076,000 *(2024: £1,076,000)*. The cumulative amount of interest capitalised and included within historical cost in respect of the Group's investment properties is £133,000 *(2024: £133,000)*.

Valuations were based on vacant possession or rental yield with allowance for letting voids, rent free periods and letting/holding costs for vacant accommodation and early lease expiries/break options, together with a deduction for purchaser's acquisition costs in accordance with market practice. The resulting net yield has also been assessed as a useful benchmark. A yield of 11.25% was applied.

Assuming all else stayed the same, a decrease in net rental income or estimated future rent will result in a decrease in the fair value whereas a decrease in the yield will result in an increase in fair value. A decrease of 1% in the yield would result in an increase in valuation of £40,000 *(2024: £40,000)*. An increase of 1% in the yield would result in a decrease in the fair value of £35,000 (*2024: £40,000*).

All the investment properties have been categorised as Level 2 in both years as defined by IFRS 13 Fair Value Measurement. Level 2 means that management's assessment is based on comparisons to market data other than quoted prices that are observable for the asset, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

Notes to the Parent Company Financial Statements (continued)

6. Investment Properties (continued)

The amount of unrealised gains or losses on investment properties is charged to the statement of comprehensive income as the movement in fair value of investment property. For the year to 30 June 2025 this was a fair value loss of £135,000 *(2024: loss £40,000)*. There were no realised gains or losses on the disposal of investment properties in the year ended 30 June 2025.

7. Plant and Equipment

	Motor Vehicles £000	Fixtures & Fittings £000	Other Equipment £000	Total £000
Cost				
At 30 June 2023	1	27	58	86
Addition in year	-	1	-	1
At 30 June 2024	**1**	**28**	**58**	**87**
Depreciation				
At 30 June 2023	1	21	54	76
Charged in year	-	4	1	5
At 30 June 2024	**1**	**25**	**55**	**81**
Net book value				
At 30 June 2024	**-**	**3**	**3**	**6**

	Motor Vehicles £000	Fixtures & Fittings £000	Other Equipment £000	Total £000
Cost				
At 30 June 2024	1	28	58	87
Addition in year	-	1	-	1
Scrapped in year	-	-	(4)	(4)
At 30 June 2025	**1**	**29**	**54**	**84**
Depreciation				
At 30 June 2024	1	25	55	81
Charged in year	-	2	-	2
Scrapped in year	-	-	(1)	(1)
At 30 June 2025	**1**	**27**	**54**	**82**
Net book value				
At 30 June 2025	**-**	**2**	**-**	**2**

Notes to the Parent Company Financial Statements (continued)

8. Investments

	Shares in Subsidiary Investments £000	Listed Investments £000	Total £000
Fair value			
At 30 June 2023 and 2024	-	1	1
Sold in period	-	(1)	(1)
At 30 June 2025	-	-	-

Subsidiary Undertaking	% of Ordinary Shares Held	Activity
Principal Subsidiaries		
Muirfield Homes Ltd *	100%	Property Investment and Development
South Castle Properties Ltd *	100%	Property Investment and Development
West Castle Properties Ltd *	100%	Property Investment
Dormant Subsidiaries		
Caledonian City Developments Ltd *	100%	Dormant
Caledonian Farms Ltd *	100%	Dormant
Brunstane Road South Ltd *	100%	Dormant
The Bank of Edinburgh Group Ltd *	100%	Dormant
The Bank of Edinburgh Ltd *	100%	Dormant
B of E Properties Ltd *	100%	Dormant
B of E Finance Ltd *	100%	Dormant
Gartshore Village Limited *	100%	Dormant

All the principal subsidiary undertakings are included in the consolidated group accounts. All subsidiaries are registered in Scotland except Caledonian City Developments Limited and Caledonian Farms Limited, which are registered in England and Wales.

* The principal place of business is at 61a North Castle Street, Edinburgh, EH2 3LJ

9. Trading Properties

	2025 £000	2024 £000
Properties held for resale or development	**1,360**	1,358

Notes to the Parent Company Financial Statements (continued)

10. Trade and Other Receivables

	2025 £000	2024 £000
Amounts falling due within one year		
Trade receivables	**39**	44
Prepayments and accrued income	**23**	27
Group relief receivable	**57**	79
Amounts owed by subsidiary undertakings	**13,727**	17,036
	13,846	17,186

Amounts payable by subsidiary undertakings are repayable on demand and are interest free.

The Company's exposure to credit risks and impairment losses relating to receivables is given in note 13.

11. Trade and Other Payables

	2025 £000	2024 £000
Trade creditors	**39**	13
Amounts owed to subsidiary undertakings	**1,571**	1,648
Other creditors including taxation	**9**	12
Accruals and deferred income	**165**	236
	1,784	1,909

Amounts due to subsidiary undertakings are interest free and repayable on demand.

The Company's exposure to currency and liquidity risk relating to trade payables is disclosed in note 13.

12. Other Interest Bearing Loans and Borrowings

The Company's interest bearing loans and borrowings are measured at amortised cost. More information about the Company's exposure to interest rate risk and liquidity risk is given in note 13.

	2025 £000	2024 £000
Non-current Liabilities		
Unsecured loans	**4,020**	4.020

Notes to the Parent Company Financial Statements (continued)

Net Debt Reconciliation

Cash and cash equivalents	**951**	1,606
Liquid investments (note 8)	**-**	1
Borrowings – repayable after one year (note 12)	**(4,020)**	(4,020)
Net debt	**(3,069)**	(2,413)
Cash and liquid investments	**951**	1,607
Gross debt – variable interest rates	**(4,020)**	(4,020)
Net debt	**(3,069)**	(2,413)

	Cash/bank overdraft £000	Liquid investments £000	Borrowing due after 1 year £000	Total £000
Net debt at 30 June 2023	1,153	1	(4,020)	(2,866)
Cashflows	453	-	-	453
Net debt at 30 June 2024	1,606	1	(4,020)	(2,413)
Cashflows	(655)	(1)	-	(656)
Net debt at 30 June 2025	**951**	**-**	**(4,020)**	**(3,069)**

Terms and debt repayment schedule
Terms and conditions of outstanding loans were as follows:

			2025		2024	
	Currency	Nominal interest rate	**Fair value £000**	**Carrying amount £000**	Fair value £000	Carrying amount £000
Unsecured loan	GBP	Base +2%	**4,020**	**4,020**	4,020	4,020

The unsecured loan of £4,020,000 is from Leafrealm Limited and is repayable in 12 months and one day after the giving of notice by the lender. Interest was charged at 3% over the Bank of Scotland base rate until 10 October 2023 when the terms were amended to a margin of 2% over the Bank of Scotland base rate, capped at 5% overall and with a minimum rate, including margin, of 2%. Leafrealm Limited retains the right to require the interest rate to return to 3% over the Bank of Scotland base rate and the maximum and minimum cap to be varied at any time on the giving of not less than 3 months' notice

The weighted average interest rate of the floating rate borrowings was 5.0% *(2024: 5.9%).*

Notes to the Parent Company Financial Statements (continued)

13. Financial Instruments

Financial assets are measured at amortised cost.

Fair Values

Fair values versus carrying amounts

The fair values of financial assets and liabilities are not different to the carrying values shown in the balance sheet.

Estimation of fair values

The following methods and assumptions were used to estimate the fair values shown above:

Trade and other receivables/payables – the fair value of receivables and payables with a remaining life of less than one year is deemed to be the same as the book value.

Cash and cash equivalents – the fair value is deemed to be the same as the carrying amount due to the short maturity of these instruments.

Other loans – the fair value is calculated by discounting the expected future cashflows at prevailing interest rates.

Overview of risks from its use of financial instruments

The Company has exposure to the following risks from its use of financial instruments:

- credit risk
- liquidity risk
- market risk

The Board of Directors has overall responsibility for the establishment and oversight of the company's risk management framework and oversees compliance with the risk management policies and procedures and reviews the adequacy of the risk management framework.

The Board's policy is to maintain a strong capital base so as to cover all liabilities and to maintain the business and to sustain its development.

The Board of Directors also monitors the level of dividends to ordinary shareholders.

For the purposes of the Company's capital management, capital includes issued share capital and share premium account and all other equity reserves attributable to the equity holders. There were no changes in the Company's approach to capital management during the year.

Neither the Company nor any of its subsidiaries are subject to externally imposed capital requirements.

The Company's principal financial instruments comprise cash and short term deposits. The main purpose of these financial instruments is to finance operations.

Notes to the Parent Company Financial Statements (continued)

13. Financial Instruments (continued)

As the Company operates wholly within the United Kingdom, there is currently no exposure to currency risk.

The main risks arising from the Company's financial instruments are interest rate risks and liquidity risks. The Board reviews and agrees policies for managing each of these risks, which are summarised below:

Credit Risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meets in contractual obligations and rises principally from the Company's receivables from customers, cash held at banks and its investments.

Trade and Other Receivables

The Company's exposure to credit risk is influenced mainly by the individual characteristics of each tenant. The majority of rental payments are received in advance which reduces the Company's exposure to credit risk on receivables.

Other receivables includes of amounts due from a company in which the Group holds a minority investment.

Investments

The Company does not actively trade in equity investments.

Bank Facilities

At the year end the Company had no bank loan facilities available (*2024: Nil*).

Exposure to Credit Risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

	Carrying Value	
	2025	2024
	£000	£000
Investments (note 8)	**-**	1
Trade receivables (note 10)	**39**	44
Group relief receivable (note 10)	**57**	79
Amounts owed by subsidiary undertakings (note 10)	**13,727**	17,036
	13,823	17,160

The Company made an allowance for impairment of accounts due by a subsidiary of £3,240,000.

Notes to the Parent Company Financial Statements (continued)

13. Financial Instruments (continued)

The Company made an allowance for impairment on trade receivables of £77,700 (*2024: £75,780*). As at 30 June 2025, receivables of £3,000 (*2024: £4,000*) were past due but not impaired. These are long standing tenants of the Company and the indications are that they will meet their payment obligations for receivables which are recognised in the balance sheet that are past due and unprovided. The ageing analysis of these receivables is as follows:

Number of days past due date	**2025 £000**	2024 £000
Less than 30 days	**3**	-
Between 60 and 90 days	**-**	4
	3	4

Credit risk for receivables at the reporting date was all in relation to property tenants in United Kingdom. The Company's exposure is spread across a number of customers and sums past due relate to 3 tenants (*2024: 3 tenants*).

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meets its liabilities when due without incurring unacceptable losses or risking damage to the Company's reputation. Whilst the directors cannot envisage all possible circumstances, the directors believe that, taking account of reasonably foreseeable adverse movements in rental income, interest or property values, the Company has sufficient resources available to enable it to do so.

The Company's exposure to liquidity risk is given below

30 June 2025 £'000	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**2 - 5 years**
Unsecured loan	4,020	4,171	50	101	4,020
Trade and other payables	1,784	1,784	1,784	-	-

30 June 2024 £'000	**Carrying amount**	**Contractual cash flows**	**6 months or less**	**6 - 12 months**	**2 - 5 years**
Unsecured loan	4,020	4,171	50	101	4,020
Trade and other payables	1,909	1,909	1,909	-	-

Notes to the Parent Company Financial Statements (continued)

13. Financial Instruments (continued)

Market risk

Market risk is the risk that changes in market prices, such as interest rates, will affect the Company's income or the value of its holdings of financial instruments. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

Interest rate risk

The Company's borrowings are at floating rates of interest based on Bank of Scotland base rate.

The interest rate profile of the Company's borrowings as at the year-end was as follows:

	2025	2024
	£000	£000
Unsecured loan – Base +2%, capped at 5% overall	**4,020**	4,020

The effect of the interest rate change and the cap described in note 12 is to reduce the interest rate and there would be no further change in the Company's sensitivity to an increase or decrease in base rate movements of up to 1%, which the Directors consider to be a reasonably possible change.

Should Leafrealm Limited amend the margin from 2% to 3% and change the caps, any 1% movement would be expected to change the Company's annual net interest charge by £40,200 (*2024: £40,200*).

Capital Risk

For the purpose of the Company's capital management, capital includes issued share capital, share premium and all other equity reserves attributable to the equity holders of the parent.. The total value of capital as set out on page 37 at 30 June 2025 is £11,870,000 (*2024: £15,878,000*). The Company is not subject to any externally imposed capital requirements.

14. Deferred Tax

At 30 June 2025, the Company has a potential deferred tax asset of £1,795,000 (*2024: £1,612,000*) of which £2,000 (*2024: liability £7,000*) related to differences between the carrying value of investment properties and the tax base. The Company has tax losses which would result in a deferred tax asset of £1,793,000 (*2024: £1,619,000*). The net deferred tax asset has not been recognised due to uncertainty regarding the availability and timing of future taxable profits.

Notes to the Parent Company Financial Statements (continued)

14. Deferred Tax (continued)

Movement in Unrecognised Deferred Tax Asset

	Balance 1 July 23 at 25% £000	Additions/ (reductions) £000	Balance 30 June 24 at 25% £000	Additions/ (reductions) £000	**Balance 30 June 25 at 25% £000**
Investment Properties	(7)	-	(7)	9	**2**
Tax losses	1,494	125	1,619	174	**1,793**
Total	1,487	125	1,612	183	**1,795**

Tax losses are available indefinitely under current tax law.

15. Issued Share Capital

	2025 No.	**2025 £000**	2024 No.	2024 £000
Issued and fully paid				
Ordinary shares of 20p each	**11,783,577**	**2,357**	11,783,577	2,357

Holders of ordinary shares are entitled to dividends declared from time to time, to one vote per ordinary share and a share of any distribution of the Company's assets.

16. Capital and Reserves

The capital redemption reserve arose in prior years on redemption of share capital. The reserve is not distributable.

The share premium account is used to record the issue of share capital above par value. This reserve is not distributable.

Retained earnings are the accumulated profits and losses of the Company.

17. Ultimate Controlling Party

The ultimate controlling party was Mr I D Lowe until his death on 5 January 2025. His executors, Mr J McArthur of Gillespie Macandrew LLP and Mr P Wigham, now exert significant influence over the company.

Notes to the Parent Company Financial Statements (continued)

18. Related Party Transactions

Transactions with key management personnel

There were no transactions with key management personnel.

Other related party transactions

Related party balances due by or to subsidiaries are disclosed within Trade and Other Receivables (*note 10*) and Trade and Other Payables (*note 11*).

Caledonian Trust Limited made the following charges to its subsidiaries:

	Group Relief	
	2025	2024
	£000	£000
South Castle Properties Limited	**23**	185
West Castle Properties Limited	**34**	22

Group relief surrendered is charged to the recipient company at the corporation tax rate prevailing for the period to which it relates.

Caledonian Trust Limited undertakes cash management for the Group resulting in the following balances due by/(to) subsidiaries:

	2025	2024
Amount due by/(to) subsidiaries	**£000**	£000
Muirfield Homes Limited	6,630	6,624
South Castle Properties Limited	(101)	(178)
West Castle Properties Limited	10,336	10,411

The Company has an unsecured loan due to Leafrealm Limited, a company of which I D Lowe was the controlling shareholder. The balance due to this party at 30 June 2025 was £4,020,000 (*2024: £4,020,000*) with interest payable at 3% over Bank of Scotland base rate per annum from 1 July 2023 to 9 October 2023. With effect from 10 October 2023 the terms were amended to a margin of 2% over the Bank of Scotland base rate, capped at 5% overall and with a minimum rate of 2%. Interest charged in the year amounted to £201,000 *(2024: £232,444).*

Lowe Dalkeith Farms, a business wholly owned by I D Lowe and now managed by his executors, provided equipment used in the maintenance of the Company's investment and development sites. The value of the equipment hire from Lowe Dalkeith Farms charged in the accounts for the year to 30 June 2025 amounts to £Nil (*2024: £343*) at rates which do not exceed normal commercial rates. The balance payable to Lowe Dalkeith Farms in respect of invoices for this work at 30 June 2025 was £ Nil (*2024: £411*).