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South Castle Properties Limited

Directors' report and financial statements

For the year ended 30 June 2022

Registered number SC126595

Contents

Company information

Board of Directors	I D Lowe M J Baynham LLB (Hons)
Secretary	M J Baynham LLB (Hons)
Head and Registered Office	61a North Castle Street Edinburgh EH2 3LJ
Auditor	Johnston Carmichael LLP 7 – 11 Melville Street Edinburgh EH3 7PE
Bankers	Bank of Scotland 300 Lawnmarket Edinburgh EH1 2PH

Directors' report

The directors present their report together with the audited financial statements of the company for the year ended 30 June 2022.

Business review and principal activities

The principal activity of the company is property investment and development.

Results and dividends

The profit for the year after taxation amounted to £110,173 (*2021 profit: £561,651*). No dividends were paid in the year.

Directors

The following were directors of the company throughout the year and up to the date of this report:

I D Lowe
M J Baynham

Disclosure of information to auditor

The directors who held office at the date of approval of this directors' report confirm that, so far as they are each aware, there is no relevant audit information of which the company'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 company's auditor is aware of that information.

Auditor

Pursuant to Section 487 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

61a North Castle Street
Edinburgh
EH2 3LJ

21 December 2022

Statement of directors' responsibilities in respect of the Directors' Report and the financial statements

The directors are responsible for preparing the Directors' Report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law they have elected to prepare the financial statements in accordance with UK Accounting Standards and applicable law (UK Generally Accepted Accounting Practice) including FRS 101 *The Financial Reporting Standard applicable to the UK and Republic of Ireland.*

Under company law the directors must not approve the financial statements unless they are satisfied that they give a true and fair view of the state of affairs of the company and of the profit or loss of the company for that period. In preparing these financial statements, the directors are required to:

- select suitable accounting policies and then apply them consistently;
- make judgments and estimates that are reasonable and prudent;
- state whether applicable UK Accounting Standards have been followed, subject to any material departures disclosed and explained in the financial statements; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the company will continue in business.

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the 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 company and to prevent and detect fraud and other irregularities.

SOUTH CASTLE PROPERTES LIMITED

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SOUTH CASTLE PROPERTIES LIMITED

Opinion

We have audited the financial statements of South Castle Properties Limited (the 'company') for the year ended 30 June 2022, which comprise the statement of profit and loss account and reserves, the balance sheet, 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 United Kingdom Accounting Standards (United Kingdom Generally Accepted Accounting Practice), including FRS 101 'Reduced Disclosure Framework'.

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 30 June 2022 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice; 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's responsibilities for the audit of the financial statements* section of our report. We are independent of the company 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 company's ability to continue as a going concern for a period of at least twelve months from when the financial statements are authorised for issue.

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

Other information

The other information comprises the information included in the annual report, other than the financial statements and our auditor's report thereon. The directors are responsible for the other information. 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 audit or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether there is a material misstatement in the financial statements or a material misstatement of the other information. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

SOUTH CASTLE PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE MEMBERS OF SOUTH CASTLE PROPERTIES LIMITED

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 Directors' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Directors' Report has 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 company and its environment obtained in the course of the audit, we have not identified material misstatements in the Directors' Report.

We have nothing to report in respect of the following matters where the Companies Act 2006 requires us to report to you if, in our opinion:

- adequate accounting records have not been kept, or returns adequate for our audit have not been received from branches not visited by us; or
- the 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; or
- the directors were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemption in preparing the Directors' Report and take advantage of the small companies exemption from the requirement to prepare a Strategic Report.

Responsibilities of directors

As explained more fully in the Statement of Directors' Responsibilities set out on page 3, 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 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 company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

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

SOUTH CASTLE PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE MEMBERS OF SOUTH CASTLE PROPERTIES LIMITED

Extent to which the audit is 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 obtained an understanding of the legal and regulatory frameworks that are applicable to the company, focusing on provisions of those laws and regulations that had a direct effect on the determination of material amounts and disclosures in the financial statements. The most relevant frameworks we identified include:

·FRS101

·Companies Act 2006

·Corporation Tax legislation

·VAT legislation

We gained an understanding of how the company is complying with these laws and regulations by making enquiries of management. We corroborated these enquiries through our review of submitted returns, external inspections and board meeting minutes.

We assessed the susceptibility of the company's financial statements to material misstatement, including how fraud might occur, by meeting with management to understand where it was considered there was susceptibility to fraud. This evaluation also considered how management were remunerated and whether this provided an incentive for fraudulent activity. We considered the overall control environment and how management 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.

The following procedures were performed to provide reasonable assurance that the financial statements were free of material fraud or error:

- 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;
- Reviewing the level of and reasoning behind the company's procurement of legal and professional services;
- Performing audit work 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 reviewing judgements made by management in their calculation of accounting estimates for potential management bias; 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 are to become aware of it.

A further description of our responsibilities is available on the Financial Reporting Council's website at: https://www.frc.org.uk/Our-Work/Audit/Audit-and-assurance/Standards-and-guidance/Standards-and-guidance-for-auditors/Auditors-responsibilities-for-audit/Description-of-auditors-responsibilities-for-audit.aspx. This description forms part of our auditor's report.

SOUTH CASTLE PROPERTIES LIMITED

INDEPENDENT AUDITOR'S REPORT (continued)

TO THE MEMBERS OF SOUTH CASTLE PROPERTIES LIMITED

Use of our report

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

Johnston Carmichael LLP

Grant Roger (Senior Statutory Auditor)
For and on behalf of Johnston Carmichael LLP

21 December 2022

Chartered Accountants
Statutory Auditor

7-11 Melville Street
Edinburgh
EH3 7PE

Statement of profit and loss account and reserves
for the year ended 30 June 2022

	Note	2022 £	2021 £
Turnover – rental income and service charges	2	**81,407**	85,127
Turnover from sale of development property	2	**-**	2,659,970
Total turnover		**81,407**	2,745,097
Cost of development property sales		**-**	(2,207,846)
Administrative expenses		**(69,065)**	(29,397)
Other operating income		**-**	80
Operating profit and profit on ordinary activities before taxation	3	**12,342**	507,934
Valuation gain on investment properties		**100,000**	150,000
Profit on ordinary activities before taxation		**112,342**	657,934
Tax on profit on ordinary activities	5	**(2,169)**	(96,283)
Profit for the financial year		**110,173**	561,651
Retained earnings at beginning of year		**2,102,179**	1,540,528
Profit for the financial year		**110,173**	561,651
Retained earnings at end of year		**2,212,352**	2,102,179

The company has no recognised gains or losses other than the profit and loss for the current and previous financial year.

The result for the year has been derived from continuing activities.

The notes on pages 10 to 17 form an integral part of these financial statements.

Balance sheet
at 30 June 2022

	Note	2022 £	2021 £
Fixed assets			
Investment properties	6	**1,100,000**	1,000,000
Tangible fixed assets	7	**367**	611
		1,100,367	1,000,611
Current assets			
Debtors	8	**19,821**	20,404
Stock	9	**3,823,473**	2,543,089
Cash at bank and in hand		**103,935**	26,548
		3,947,229	2,590,041
Creditors: amounts falling due within one year	10	**(2,835,242)**	(1,488,471)
Net current assets		**1,111,987**	1,101,570
Net assets		**2,212,354**	2,102,181
Capital and reserves			
Called up share capital	11	**2**	2
Profit and loss account		**2,212,352**	2,102,179
Equity shareholders' funds		**2,212,354**	2,102,181

These financial statements were approved by the Board of Directors on 21 December 2022 and were signed on its behalf by:

I D Lowe

I D Lowe
Director

The notes on pages 10 to 17 form an integral part of these financial statements.

Notes
(forming part of the financial statements)

1 Accounting policies

The following accounting policies have been applied consistently in dealing with items which are considered material in relation to the company's financial statements. The registered office and principal place of business are noted on the company information on page 1.

South Castle Properties Limited (the "company") is a company limited by shares and incorporated and domiciled in the UK.

These financial statements were prepared in accordance with Financial Reporting Standard 101 Reduced Disclosure Framework ("FRS 101") and in accordance with applicable accounting standards. Monetary amounts in the financial statements are rounded to the nearest pound.

The company's ultimate parent undertaking, Caledonian Trust PLC includes the company in its consolidated financial statements. The consolidated financial statements of Caledonian Trust PLC are available to the public and may be obtained from the address and website shown in note 13. In preparing these financial statements, the company applies the recognition, measurement and disclosure requirements of UK-adopted International Accounting Standards and has set out below where advantage of the FRS 101 disclosure exemptions has been taken.

- a Cash Flow Statement and related notes;
- Comparative period reconciliations for share capital, tangible fixed assets and investment properties;
- Disclosures in respect of transactions with wholly owned subsidiaries ;
- Disclosures in respect of capital management;
- The effects of new but not yet effective International Financial Reporting Standards;
- Disclosures in respect of the compensation of Key Management Personnel; and
- Disclosures of transactions with a management entity that provides key management personnel services to the company.

As the consolidated financial statements of Caledonian Trust PLC include the equivalent disclosures, the company has also taken the exemptions under FRS 101 available in respect of the following disclosures

- Certain disclosures required by IFRS 13 *Fair Value Measurement* and the disclosures required by IFRS 7 *Financial Instrument Disclosures.*

The company proposes to continue to adopt the reduced disclosure framework of FRS 101 in its next financial statements.

The accounting policies set out below have, unless otherwise stated, been applied consistently to all periods presented in these financial statements.

Notes (*continued*)

1 **Accounting policies *(continued)***

Judgements made by the directors, in the application of these accounting policies that have significant effect on the financial statements and estimates with a significant risk of material adjustment in the next year are discussed in note 1.12.

1.1 Basis of preparation

The financial statements have been prepared in accordance with applicable accounting standards and under the historical cost convention, except for investment properties which are stated at their fair value.

1.2 Going concern

The directors have considered the cash position of the company for the period for at least twelve months from the date of signing these accounts. Its parent company has confirmed that it does not intend to seek repayment of the intra-group borrowing and intends to provide support for trading operations during the next 12 months. The cash flow forecasts show that the company can operate within those available funds for the foreseeable future. Thus, the directors continue to adopt the going concern basis of accounting in preparing the annual financial statements. Despite the current economic uncertainty, the Directors do not expect any material long-term effects to the business.

1.3 Non-derivative financial instruments

Cash and cash equivalents

Cash includes cash in hand, deposits held at call (or with a maturity of less than 3 months) with banks, and bank overdrafts. Bank overdrafts that are repayable on demand and which form an integral part of the Group's cash management are shown within current liabilities on the balance sheet and included with cash and cash equivalents for the purpose of the statement of cash flows.

Trade and other debtors / creditors

Trade and other debtors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method, less any impairment losses.

Trade and other creditors are recognised initially at fair value. Subsequent to initial recognition they are measured at amortised cost using the effective interest method.

Interest-bearing borrowings classified as basic financial instruments

Interest-bearing borrowings are recognised initially at fair value less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost using the effective interest method, less any impairment losses.

1.4 Tangible fixed assets

Tangible fixed assets are stated at cost less accumulated depreciation and accumulated impairment losses

Where parts of an item of tangible fixed assets have different useful lives, they are accounted for as separate items of tangible fixed assets, for example land is treated separately from buildings.

The company assesses at each reporting date whether tangible fixed assets are impaired.

Depreciation is charged to the profit and loss account on a straight-line basis over the estimated useful lives of each part of an item of tangible fixed assets. Land is not depreciated. The estimated useful lives are as follows:

- Equipment 5 years straight line

Depreciation methods, useful lives and residual values are reviewed at each balance sheet date.

1.5 Investment property

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.

Notes *(continued)*

1 Accounting policies *(continued)*

1.5 Investment property (continued)

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 profit or loss in the period that they arise; and

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

Any gain or loss arising from a change in fair value is recognised in profit or loss. Rental income from investment property is accounted for as described in the turnover accounting policy.

1.6 Land and development work in progress

Land and development work in progress are stated at lower of cost and net realisable value. Interest and other finance costs on borrowings specific to a development are capitalised through stock and work in progress and written off as a cost of sale.

1.7 Impairment excluding investment properties and deferred tax assets

Financial assets (including trade and other debtors)

A financial asset not carried at fair value through profit or loss is assessed at each reporting date to determine whether there is objective evidence that it is impaired. A financial asset is impaired if objective evidence indicates that a loss event has occurred after the initial recognition of the asset, and that the loss event had a negative effect on the estimated future cash flows of that asset that can be estimated reliably.

An impairment loss in respect of a financial asset measured at amortised cost is calculated as the difference between its carrying amount and the present value of the estimated future cash flows discounted at the asset's original effective interest rate. For financial instruments measured at cost less impairment an impairment is calculated as the difference between its carrying amount and the best estimate of the amount that the company would receive for the asset if it were to be sold at the reporting date. Interest on the impaired asset continues to be recognised through the unwinding of the discount. Impairment losses are recognised in profit or loss. When a subsequent event causes the amount of impairment loss to decrease, the decrease in impairment loss is reversed through profit or loss.

1.8 Turnover

Turnover represents rent and service charges receivable without taking into account any expenditure borne directly by tenants.

Turnover from the sale of development properties is recognised in the profit and loss account on the date on which the significant risks and rewards of ownership are transferred to the buyer, with proceeds and costs shown on a gross basis.

All turnover is generated in the UK.

1.9 Expenses

Interest receivable and Interest payable

Other interest receivable and similar income include interest receivable on funds invested.

Interest income and interest payable are recognised in profit or loss as they accrue, using the effective interest method.

Notes *(continued)*

1 Accounting policies *(continued)*

1.10 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.

1.11 Taxation

Tax on the profit or loss for the year comprises current and deferred tax. Tax is recognised in the profit and loss account except to the extent that it relates to items recognised directly in equity or other comprehensive income, in which case it is recognised directly in equity or other comprehensive income.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates enacted or substantively enacted at the balance sheet date, and any adjustment to tax payable in respect of previous years.

Deferred tax is provided on temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. The amount of deferred tax provided is based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the balance sheet date. For investment property that is measured at fair value deferred tax is provided at the rate applicable to the sale of the property.

A deferred tax asset is recognised only to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilised.

1.12 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:

- *Valuation of investment properties (note 6)*

  The fair value has been based on third party valuations provided by external independent valuers at 30 June 2022. The valuations are based upon assumptions including future rental income, anticipated void cost, the appropriate discount rate or yield and the potential for redevelopment. The valuation also takes into consideration market evidence for comparable properties in respect of both transaction prices and rental agreement.

- *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.

- *Deferred Tax (note 12)*

  A significant proportion of the company's deferred tax asset relates 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 the uncertainty that surrounds the availability of future taxable profits.

Notes *(continued)*

2 Turnover

	2022 £	2021 £
Rent and service charges	**81,407**	85,127
Sale of development property	**-**	2,659,970
	81,407	2,745,097

3 Expenses and auditor's remuneration

Included in the profit/loss account are the following:

	2022 £	2021 £
Depreciation	**244**	244
Auditor's Remuneration – audit of these financial statements	**3,300**	3,000

4 Employees

The only employees of the company during the year and the previous year were the directors who received no remuneration from the company. The remuneration for their services as directors of the holding company is shown in the financial statements of Caledonian Trust PLC.

Notes *(continued)*

5 Tax on profit on ordinary activities

	2022 £	2021 £
UK Corporation tax		
Group relief payable on income for the period	**2,169**	96,283
Total current tax	**2,169**	96,283
Deferred tax (see note 12)	**-**	-
Tax on profit on ordinary activities	**2,169**	96,283

	2022 £	2021 £
Reconciliation of effective tax rate		
Profit for the year	**110,173**	561,651
Total tax expense	**2,169**	96,283
Profit excluding taxation	**112,342**	657,934
Current tax at 19% *(2021:19%)*	**21,345**	125,007
Effects of:		
Depreciation in excess of capital allowances	**(176)**	(224)
Unrealised gain on investment property	**(19,000)**	(28,500)
Total current tax charge (see above)	**2,169**	96,283

Notes *(continued)*

6 Investment properties

	Freehold land and buildings £
Valuation at 30 June 2021	1,000,000
Valuation movement in year	100,000
Valuation at 30 June 2022	**1,100,000**

The carrying value of investment property is the fair value based on an independent valuation by Montagu Evans, Chartered Surveyors as at 30 June 2022. The property was valued at fair value on the basis of existing use open market value. The valuation was carried out in accordance with the Practice Statement in the RICS Appraisal and Valuation manual. The historical cost was £1,396,370 (*2021: £1,396,370*).

7 Tangible fixed assets

	Plant and machinery £
Cost	
At 30 June 2021	15,570
Additions during year	-
At 30 June 2022	15,570
Depreciation	
At 30 June 2021	14,959
Charge in year	244
At 30 June 2022	15,203
Net book value 30 June 2022	**367**
Net book value at 30 June 2021	611

8 Debtors

	2022 £	2021 £
Prepayments and accrued income	**19,821**	20,404

9 Stock

	2022 £	2021 £
Developments	**3,823,473**	2,543,089

Finance costs related to borrowings specifically for a development are included in the cost of developments. At 30 June 2022 the total finance costs included in stock and work in progress was £53,055 (*2021: £Nil*).

Notes *(continued)*

10 Creditors: amounts falling due within one year

	2022 £	2021 £
Amounts owed to parent company	**2,604,447**	1,324,772
Accruals and deferred income	**228,626**	67,416
Group relief payable	**2,169**	96,283
	2,835,242	1,488,471

Amounts payable to the parent company are repayable on demand and are interest free unless they relate to an active development site. During the year a maximum of £1,478,437 was subject to interest with effect from 1 July 2021 at Bank of Scotland base rate plus a margin of 5% in relation to the company's development of Phase 3 at Brunstane.

11 Share capital

	2022 £	2021 £
Authorised share capital		
Ordinary shares of £1 each	**100**	100
Allotted, called up and fully paid		
Ordinary shares of £1 each	**2**	2

12 Deferred taxation

No deferred tax provision is required as the base cost of investment property exceeds valuation.

13 Ultimate parent undertaking

The ultimate parent undertaking is Caledonian Trust PLC, a company incorporated in Great Britain and registered in England and Wales. The financial statements of Caledonian Trust PLC are available from 61A North Castle Street, Edinburgh EH2 3LJ or on its website www.caledoniantrust.com. The ultimate controlling party is I D Lowe.

14 Related party transactions

Contracting work on the company's development sites was undertaken by Leafrealm Land Limited, a company under the control of ID Lowe. The value of the work done for the year to 30 June 2022 amounted to £5,717 (*2021:£1,578*) at rates which do not exceed normal commercial rates. The balance due to Leafrealm Land Limited at 30 June 2022 in respect of invoices for this work is £630 (*2021: £Nil*).

Equipment for maintenance at investment and development sites was hired from Lowe Dalkeith Farms, a business owned by I D Lowe. The amount charged in the accounts for the year ended 30 June 2022 was £1,755 (*2021: £1,508*) at rates which do not exceed normal commercial charges. The balance due to Lowe Dalkeith Farms at 30 June 2022 in respect of invoices for this work is £Nil (*2021: £500*).