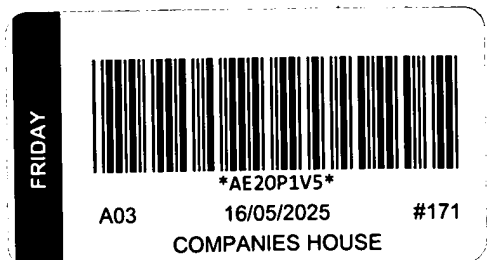


39 SCOTLAND LIMITED

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024



39-SCOTLAND LIMITED

COMPANY INFORMATION

Directors

S Martin
S Shahir
T Reade
N Hawkins (appointed 1 January 2025)

Company secretary

Davidson Chalmers Stewart LLP (Secretarial Services)

Registered number

SC432730

Registered office

Davidson Chalmers Stewart LLP
12 Hope Street
Edinburgh
United Kingdom
EH2 4DB

Independent auditors

Kreston Reeves LLP
Second Floor
168 Shoreditch High Street
London
United Kingdom
E1 6RA

39 SCOTLAND LIMITED

CONTENTS

	Page
Strategic Report	4
Directors' Report	5 - 6
Independent Auditors' Report	7 - 9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Equity	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 – 22

39 SCOTLAND LIMITED

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

Introduction

The Directors present their Strategic Report and the audited financial statements of 39 Scotland Limited ("the Company"), for the year ended 31 December 2024.

Principal activities

The principal activity of the Company is acting as the General Partner of 39 Scottish Limited Partnership ("the Partnership"). This involves managing and operating the Partnership and managing its property in accordance with the Partnership's investment policy. The Company intends to continue to act as the General Partner.

Business review

The revenue for the year was £1,200 (2023: £1,200).

Loss from operations for the year is £6,065 (2023: profit of £2,355). At 31 December 2024, the Company had net assets of £14,062 (2023: net liabilities of £5,057) which, in the opinion of the Directors, is satisfactory.

No dividends were paid or declared in the year (2023: nil).

The full results for the year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 10.

Principal risks and uncertainties

The key risks and uncertainties faced by the business are those experienced across the property sector, as General Partner of the Partnership. Risk is mitigated by the Company having the same ultimate holding company, and the Partnership agreement instigated at the Company's inception which guarantees the Company will receive the agreed upon income.

There is no material exposure to foreign currency exchange rates, credit, liquidity, price or interest rate risk. It is not expected that the risk profile of the Company will change in the coming year.

Key performance indicators (KPIs)

The Directors believe that other than the statutory KPIs of revenue and operating profit set out in the Statement of Profit or Loss and Other Comprehensive Income, there are no other KPIs required to be reported to give a full understanding of the business.

Approved by the Board of Directors on 29 April 2025 and signed on its behalf by:

Sally Martin

S Martin

Director

29 April 2025

39 SCOTLAND LIMITED

**DIRECTORS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Directors present their report and the financial statements for the year ended 31 December 2024.

General information

The Company is a private company limited by shares, domiciled and incorporated in Scotland. The Company's registered address is 12 Hope Street, Edinburgh, EH2 4DB.

The Company's principal place of business is:

101 Wigmore Street
London
United Kingdom
W1U 1QU

The immediate parent undertaking is 39 Dukeson Properties Limited, which is incorporated in the United Kingdom. The Directors consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

Future developments

The Company's activities are not expected to change in the short to medium term.

Financial risk management

The Company is not exposed to foreign currency or interest rate risk. Accordingly, it does not use derivatives or hedging instruments, see note 13 to the financial statements.

Directors

The Directors who held office during the year are given below:

S Martin
S Shahir
T Reade

No Director had any interest in the Company during the year and up to the date the financial statements were signed.

Directors' third-party and pension scheme indemnity provisions

As permitted by the Articles of Association, the Directors have the benefit of an indemnity which is a qualifying third-party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial period and is currently in force.

The Company also purchased and maintained throughout the year Directors' and Officers' liability insurance in respect of itself and its Directors.

Dividends

The Directors did not propose or pay a dividend in the year (2023: nil).

Employees

The Company has no employees. The Directors are employed and remunerated by a company under common control.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors, Kreston Reeves LLP, will continue in office.

Company's registered number

The Company's registered number is SC432730.

39 SCOTLAND LIMITED

**DIRECTORS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Statement of Directors' responsibilities in respect of the financial statements

The Directors are responsible for preparing the Strategic Report, Directors' Report and the financial statements, in accordance with applicable law and regulation.

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 International Financial Reporting Standards (IFRS) as adopted by the UK.

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 the financial statements, the Directors are required to:

- select suitable accounting policies and then apply them consistently;
- state whether they have been prepared in accordance with IFRS as adopted by the UK, subject to any material departures disclosed and explained in the financial statements;
- make judgements and accounting estimates that are reasonable and prudent; and
- prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Company will continue in business.

The Directors are responsible for keeping adequate accounting records that are sufficient to show and explain the Company's transactions and disclose with reasonable accuracy at any time the financial position of the Company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are responsible for such internal control as they determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error, and 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.

Disclosure of information to auditors

Each of the persons who are Director at the same time when the Directors' report is approved have confirmed that:

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

In preparing this report, the Directors have taken advantage of the small companies exemptions provided by section 415A of the Companies Act 2006.

Approved by the Board of Directors on 29 April 2025 and signed on behalf of the board:

Shahram Shahir

S Shahir
Director
29 April 2025

39 SCOTLAND LIMITED**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF 39 SCOTLAND LIMITED****Opinion**

We have audited the financial statements of 39 Scotland Limited (the 'Company') for the year ended 31 December 2024 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 Company's affairs as at 31 December 2024, and of its 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 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 contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Company and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and 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:

39 SCOTLAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 39 SCOTLAND LIMITED (CONTINUED)

- 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' exemptions in preparing the Directors' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Directors

As explained more fully in the Directors' responsibilities statement on page 6, 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 they 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 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.

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the company and industry, and through discussion with the Directors and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to company law, health and safety and employment law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as the Companies Act 2006, taxation and pension legislation. We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates such as valuation of investments. Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud;
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and
- Performing analytical procedures to identify any unusual or unexpected relationships, including related party

39 SCOTLAND LIMITED

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 39 SCOTLAND LIMITED (CONTINUED)

- transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Directors.
- Conclude on the appropriateness of the Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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.

Kreston Reeves LLP

Anne Dwyer BSc (Hons) FCA (Senior Statutory Auditor)

Kreston Reeves LLP

London

1 May 2025

39-SCOTLAND LIMITED

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024

	Note	2024 £	2023 £
Revenue	3	1,200	1,200
Administrative expenses		(7,265)	(6,245)
Write-off of legacy accruals		-	7,400
(Loss)/profit from operations	4	(6,065)	2,355
Finance income		184	-
(Loss)/profit before tax		(5,881)	2,355
Tax expense	7	-	-
(Loss)/profit for the year		(5,881)	2,355
Total comprehensive (loss)/income		(5,881)	2,355

The notes on pages 14 to 22 form an integral part of these financial statements.

The results for the year reflect trading from continuing operations.

Total comprehensive (loss)/income is allocated in full to the owner of the Company.

There was no other comprehensive (loss)/income for the year ended 31 December 2024 (2023: nil).

39 SCOTLAND LIMITED

**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 £	2023 £
Assets			
Non-current assets			
Investments	8	1,000	1,000
		<u>1,000</u>	<u>1,000</u>
Current assets			
Trade and other receivables	9	1,538	600
Cash and cash equivalents	11	17,641	1,742
		<u>19,179</u>	<u>2,342</u>
Total assets		<u>20,179</u>	<u>3,342</u>
Liabilities			
Current liabilities			
Trade and other payables	10	6,117	8,399
		<u>6,117</u>	<u>8,399</u>
Total liabilities		<u>6,117</u>	<u>8,399</u>
Net assets/(liabilities)		<u>14,062</u>	<u>(5,057)</u>
Issued capital and reserves			
Share capital	14	25,001	1
Share premium		999	999
Retained earnings		(11,938)	(6,057)
Total equity		<u>14,062</u>	<u>(5,057)</u>

The notes on pages 14 to 22 form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to companies subject to the small companies regime provided by section 414(3) of the Companies Act 2006.

The financial statements and notes on pages 10 to 22 were approved and authorised for issue by the Board of Directors on 29 April 2025 and were signed on its behalf by:

Shahram Shahir

**S Shahir
Director**

Registered number: SC432730

-39 SCOTLAND LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 31 DECEMBER 2024

	Share capital	Share premium	Retained earnings	Total equity
	£	£	£	£
Balance as at 1 January 2023	1	999	(8,412)	(7,412)
Profit for the year	-	-	2,355	2,355
Total comprehensive income for the year	-	-	2,355	2,355
Balance as at 31 December 2023	1	999	(6,057)	(5,057)
Balance as at 1 January 2024	1	999	(6,057)	(5,057)
Loss for the year	-	-	(5,881)	(5,881)
Total comprehensive loss for the year	-	-	(5,881)	(5,881)
Issue of share capital	25,000	-	-	25,000
Total contributions by and distributions to owners	25,000	-	-	25,000
Balance as at 31 December 2024	25,001	999	(11,938)	14,062

The notes on pages 14 to 22 form an integral part of these financial statements.

39 SCOTLAND LIMITED

**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024 £	2023 £
Cash flows from operating activities		
(Loss)/profit for the year	(5,881)	2,355
	<u>(5,881)</u>	<u>2,355</u>
Movements in working capital		
Increase in debtors	(938)	-
Decrease in creditors	(2,282)	(1,174)
	<u>(9,101)</u>	<u>1,181</u>
Net cash (used in)/generated from operating activities		
Cash flows from financing activities		
Issue of share capital	25,000	-
	<u>25,000</u>	<u>-</u>
Net cash generated from financing activities		
Net increase in cash and cash equivalents	15,899	1,181
Cash and cash equivalents at the beginning of the year	1,742	561
	<u>17,641</u>	<u>1,742</u>
Cash and cash equivalents at the end of the year		

Cash and cash equivalents are comprised solely of cash at bank and in hand.

The notes on pages 14 to 22 form an integral part of these financial statements.

39 SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**1. General information**

39 Scotland Limited (the "Company") is a private company, limited by shares, domiciled and incorporated in Scotland. The principal activity of the Company is to be the General Partner of 39 Scottish Limited Partnership (the "Partnership"), which involves managing and operating the Partnership. The Company's registered office is 12 Hope Street, Edinburgh, EH2 4DB.

The Company's principal place of business is 101 Wigmore Street, London, United Kingdom W1U 1QU. All other Company information is set out in page 2 of the financial statements.

2. Summary of significant accounting policies**2.1 Basis of preparation**

The financial statements of the Company have been prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 as applicable to companies reporting under those standards.

The accounting policies have been applied consistently, other than where a new policy has been adopted.

Changes in accounting policies:

New standards, interpretations and amendments adopted from 1 January 2024

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is affected by the likelihood that the entity will exercise its right to defer settlement.
- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

39 SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Summary of significant accounting policies

2.1 Basis of preparation (continued)

The adoption of the standards listed above did not materially impact the financial statements.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Company has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Directors do not expect the adoption of the standards listed above to materially impact the financial statements.

2.2 Accounting convention

The financial statements have been prepared under the historical cost convention.

2.3 Functional and presentation currency

These financial statements are presented in Great British Pounds ('GBP'), which is the Company's functional currency. All financial information presented in GBP has been rounded to the nearest whole pound.

2.4 Dividends

Dividends are recorded in the financial statements in the year in which they are declared.

2.5 Revenue

Revenue, which excludes value added tax, comprises of partnership income from the Company's interest in the Partnership. It is recognised on an accruals basis and arises on a quarterly basis consistent with the partnership agreement in place. The transaction price is a fixed amount as stated in the partnership agreement.

2.6 Investments

The investment represents less than a 1% interest in the Partnership, a partnership registered in Scotland. The Company has control over the Partnership as its General Partner.

The carrying value of investments in the Partnership is stated at cost after deducting any provision for impairment in value. An investment is deemed to be impaired when its carrying amount is greater than its estimated recoverable amount, which is the higher of net realisable value and value in use. Future cash flows arising from investments, discounted at an appropriate rate, are used to determine value in use. Any impairment arising is charged to the income statement.

2.7 Current and deferred taxation

The tax expense for the period comprises current and deferred tax. Tax is recognised in the Statement of Profit or Loss and Other Comprehensive Income, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the balance sheet date in the country where the Company generates taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

39 SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Summary of significant accounting policies (continued)

2.7 Current and deferred taxation (continued)

Deferred income tax is recognised on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income tax is determined using tax rates laws that have been enacted or substantively enacted by the balance sheet date and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred income tax assets are recognised only to the extent that it is probable that future taxable profit will be available against which the temporary differences can be utilised.

In the case of deferred tax in relation to investment property revaluation surpluses, the base cost used is historical book cost and ignores any allowances or deductions which may be available to reduce the actual tax liability which would crystallise in the event of a disposal of an asset. The Company expects to recover the value of its investment property assets through future rental income streams.

Deferred income tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and when the deferred income tax assets and liabilities relate to income taxes levied by the same taxation authority on either the same taxable entity or different taxable entities where there is an intention to settle the balances on a net basis.

2.8 Cash and cash equivalents

Cash and cash equivalents include short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

2.9 Trade and other receivables

Trade and other receivables are recorded at amortised cost. The Company's accounting policy for the establishment of provisions against trade receivables reflects the lifetime expected credit loss, consistent with the simplified approach under IFRS 9.

2.10 Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally this results in their recognition at their nominal value.

2.11 Capital management

Capital risks

The Company's objectives when managing capital (i.e. shareholder's equity in the business) are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, reduce capital to the shareholder, issue new shares or sell assets to reduce debt.

2.12 Financial instruments

Financial assets and liabilities are recognised in the Company's balance sheet when the Company becomes a party to the contractual provisions of the instrument. The principal financial instruments used by the Company are trade receivables, cash and cash equivalents and trade payables, measured subsequently at amortised cost.

2.13 Other financial assets

Other financial assets consist of long-term loans and receivables. Other financial assets are initially measured at fair value and are subsequently held at amortised cost. As such, this results in their recognition at nominal value less any loss allowance.

39 SCOTLAND LIMITED**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2. Summary of significant accounting policies (continued)****2.14 Significant accounting assumptions and judgements**

In preparing the financial statements, judgments, estimates and assumptions are made by management, which affect the reported amounts in the financial statements. Actual results may differ from these estimates and could require a material adjustment to the carrying value of the assets affected. Changes in the assumptions can affect the financial statements, particularly as regards the following:

- The investment in the Partnership is held at the initial cost. It is assumed that future receipts will continue to be received in line with the effective agreement. The Directors do not consider there to be a risk of default. For further information including the carrying values please see note 8.
- Calculations made to determine the amount of tax provisions to be recognised. The calculation of the amount to be recognised is based on the estimated future taxable results and an estimate of the ultimate tax effect of certain transactions.

3. Revenue

Revenue is comprised solely of fees paid by the Partnership. Investment income represents quarterly receipts from the Partnership. All income is generated in the United Kingdom. There are no performance obligations other than being General Partner of the Partnership. There are no warranties or returns that impact revenue.

The Company provides its services as General Partner throughout the year. As a result, investment income is accrued equally across the year and paid on an annual basis.

4. (Loss)/profit from operations

(Loss)/profit from operations is stated after charging the items set out below:

	2024	2023
	£	£
Audit fee	1,600	1,500
Professional fees	5,602	4,726
Bank charges	63	19
Write-off of legacy accruals	-	(7,400)

5. Employee information

The average monthly number of employees was nil (2023: nil).

6. Directors' emoluments

No Directors were remunerated for their services in relation to the Company (2023: nil).

39 SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Income tax expense

	2024	2023
	£	£
Current tax		
UK corporation tax on (loss)/profit for the year	-	554
Total current tax	<u>-</u>	<u>554</u>
Deferred tax		
Adjustment in respect of deferred tax	-	(554)
Total deferred tax	<u>-</u>	<u>(554)</u>
Total tax on profit of ordinary activities	<u>-</u>	<u>-</u>

Reconciliation of total tax charge

The UK standard rate of corporation tax for the year is 25% (2023: 23.52%). The tax charge for the current year is higher (2023: lower) than the standard rate.

	2024	2023
	£	£
(Loss)/profit before taxation	<u>(5,881)</u>	<u>2,355</u>
Tax (credit)/expense on (loss)/profit before taxation at standard rate of 25% (2023: 23.52%)	(1,470)	554
Tax effects of:		
Losses carried forward	-	-
Movement in unrecognised deferred tax	1,470	(554)
Total current tax	<u>-</u>	<u>-</u>

In the March 2021 UK Budget it was announced that legislation will be introduced in Finance Bill 2021 to increase the main rate of UK Corporation tax from 19% to 25%, effective 1 April 2023. The Finance Bill was substantively enacted in May 2021, deferred tax balances as at 31 December 2024 are measured at a rate of 25%. There were no factors which may affect future tax charges.

The Company has an unrecognised deferred tax asset of £3,062 (2023: £711) in relation to prior year losses. It has not been recognised due to uncertainty of the Company being profitable in future years.

The Company has considered Pillar Two reform and UK QDMTT and does not expect material top-up tax in 2025. There are no tax consequences of dividends declared after the reporting period.

39. SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

8. Investments

	2024	2023
	£	£
Cost at beginning and end of the year	1,000	1,000

The investment reflects less than 1% interest in the Partnership, which is an investment property partnership, registered in Scotland. The Partnership's principal place of business is 12 Hope Street, Edinburgh, EH2 4DB.

The Directors believe that the carrying value of the investments is supported by the underlying net assets.

A copy of the latest accounts of the undertaking is appended to the copy of the Company's financial statements sent to the Registrar under Section 444 of the Companies Act 2006.

9. Trade and other receivables

	2024	2023
	£	£
Amounts owed by the Partnership	-	600
Other taxation and social security	1,538	-
Total trade and other receivables	1,538	600

Amounts owed by entity undertakings under common control are non-interest bearing, are unsecured and have no fixed date of repayment.

The Company recognises expected credit losses (ECL) on all financial assets that are subject to credit risk, principally trade receivables, in accordance with IFRS 9, Financial Instruments. The Company uses a forward-looking approach to estimate ECL, which takes into account all available information about the credit risk of its financial assets, such as historical experience, current conditions, and reasonable and supportable forecasts. The Company regularly reviews the ECL estimate and updates any losses when new information becomes available. Any loss allowance is included in note 9, which is nil in 2024 (2023: nil).

10. Trade and other payables

	2024	2023
	£	£
Accruals	5,678	5,926
Amounts owed to entities under common control	439	2,473
Total trade and other payables	6,117	8,399

The amounts owed to entities under common control are not interest bearing and are repayable on demand.

39 SCOTLAND LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Financial assets by category

	At cost less impairment	At amortised cost (cash at fair value)	Total
	£	£	£
As at 31 December 2023			
Cash and cash equivalents	-	1,742	1,742
Trade and other receivables	-	600	600
Investments	1,000	-	1,000
Total	1,000	2,342	3,342
As at 31 December 2024			
Cash and cash equivalents	-	17,641	17,641
Trade and other receivables	-	1,538	1,538
Investments	1,000	-	1,000
Total	1,000	19,179	20,179

12. Financial liabilities by category

	At amortised cost £
As at 31 December 2023	
Trade and other payables	8,399
Total	8,399
As at 31 December 2024	
Trade and other payables	6,117
Total	6,117

Trade and other payables are made up of third-party payables, accruals and amounts owed to related parties.

13. Financial risk management

The Directors consider the Company's financial risk profile to be low. Given the nature of the Company's operations, it is not exposed to price, foreign currency or interest rate risk.

Credit risk

The Company is exposed to credit risk although the Directors consider this to be low. All income is generated by the Partnership which receives rental income subject to leasehold agreements. There are no indicators of impairment to the carrying values of any receivables.

Liquidity and funding

Liquidity and funding risk is the risk that the Company will not be able to meet its short term financial demands.

The Company applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging.

39 SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

13. Financial risk management (continued)

Counterparty risks

Counterparty risk is the risk that one of the Company's counterparties will not live up to its contractual obligations.

The Company is exposed to counterparty risks arising from its holdings of cash and cash equivalents and outstanding debtor balances. The Directors consider this risk to be low.

Sensitivity

Given the nature of the Company's activities, the Company is not exposed to market movements in interest rates or other factors which would necessitate sensitivity analysis.

Capital risks management

The Company's objectives when managing capital (i.e., the shareholder's funds in the business) are to safeguard the Company's ability to continue as a going concern in order to provide returns for the shareholder and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Company may adjust the amount of dividends paid to the shareholder, reduce capital to the shareholder, issue new shares or sell assets to reduce debt.

14. Called up share capital

	2024	2023
	£	£
Authorised		
26,000 (2023: 1,000) ordinary shares of £1 each	<u>26,000</u>	<u>1,000</u>
Authorised, issued and fully paid		
At 1 January	1	1
Shares issued	<u>25,000</u>	-
At 31 December	<u>25,001</u>	<u>1</u>

The ordinary shares have attached to them full voting, dividend and capital distribution (including on winding up) rights; they do not confer any rights of redemption.

On 14 March 2024, the Directors issued 25,000 £1 shares to 39 Dukeson Properties Limited.

15. Reserves

Retained earnings

Retained earnings comprise all current and prior period retained profits and losses after deducting any distributions made to the Company's shareholder.

16. Ultimate controlling party

The Company's immediate parent is 39 Dukeson Properties Limited.

The Company is not consolidated with the parent company's accounts and as such the Company is both the largest and the smallest undertaking.

The Directors consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

39 SCOTLAND LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

17. Related party transactions

The Company received £1,200 of administrative income from the Partnership (as the General Partner of the Partnership) during the year (2023: £1,200) as per the agreement in place. At the year end, no balance remains unpaid from the Partnership (2023: £600). No interest is chargeable.

18. Events after the reporting period

There are no events to report subsequent to the reporting period.

39 SCOTTISH LIMITED PARTNERSHIP

FINANCIAL STATEMENTS

FOR THE YEAR ENDED 31 DECEMBER 2024

39 SCOTTISH LIMITED PARTNERSHIP

PARTNERSHIP INFORMATION

Partnership secretary & registered office Davidson Chalmers Stewart LLP (Secretarial Services)
12 Hope Street
Edinburgh
EH2 4DB

Registered number SL011371

Independent auditors Kreston Reeves LLP
Second Floor
168 Shoreditch High Street
London
United Kingdom
E1 6RA

39 SCOTTISH LIMITED PARTNERSHIP

CONTENTS

	Page
Strategic Report	4
Members' Report	5 - 6
Independent Auditors' Report	7 - 9
Statement of Profit or Loss and Other Comprehensive Income	10
Statement of Financial Position	11
Statement of Changes in Partners' Interests	12
Statement of Cash Flows	13
Notes to the Financial Statements	14 - 25

39 SCOTTISH LIMITED PARTNERSHIP

STRATEGIC REPORT FOR THE YEAR ENDED 31 DECEMBER 2024

The Members present their Strategic Report and the financial statements of 39 Scottish Limited Partnership ("the Partnership"), for the year ended 31 December 2024.

Principal activities

The principal activity of the Partnership is that of an investment property holding partnership.

Business review

The Partnership generated revenue of £4,443,000 in the year (2023: £3,090,000). The Partnership's profit for the year is £409,000 (2023: loss of £5,838,000). At 31 December 2024 the Partnership had net assets of £15,953,000 (2023: £15,544,000), which in the opinion of the Members, is satisfactory.

The full results for the year are set out in the Statement of Profit or Loss and Other Comprehensive Income on page 10.

Principal risks and uncertainties

The key risks and uncertainties faced by the business are those experienced across the investment property sector, which include:

- Demand from occupiers impacts the amount of rent obtainable for buildings in the Partnership's markets and the level of occupancy;
- Supply of properties for rent in the Partnership's market;
- Occupier default; and
- Valuation of investment properties

The Partnership operates with a long-term view and the focus is on underlying income and value generating potential over short-term value fluctuations. The Partnership seeks to further manage these risks by diversification of its tenant portfolio and vigorous financial vetting of potential occupants.

Key performance indicators (KPIs)

The Members believe that other than the statutory KPIs of revenue and profit from operations set out in the Statement of Profit or Loss and Other Comprehensive Income and the carrying value of the freehold property there are no other KPIs required to be reported to give a full understanding of the business.

The Members consider the performance of revenue and operating profit to be in line with expectations. Whilst the valuation of the investment property held by the Partnership has resulted in a net gain in the year, the Members hold a long-term view of the property market cycle and expect periods of decline and recovery.

This report was approved by the Members on 29 April 2025 and signed on their behalf by:

Sally Martin

S Martin

On behalf of the Members
29 April 2025

39.SCOTTISH.LIMITED.PARTNERSHIP

**MEMBERS' REPORT
FOR THE YEAR ENDED 31 DECEMBER 2024**

The Members present their report and the financial statements for the year ended 31 December 2024.

General information

The Partnership is a limited partnership domiciled and registered in Scotland. The Partnership's registered address is 12 Hope Street, Edinburgh, EH2 4DB.

The Partners of the Partnership during the year were:

- 39 Scotland Limited
- 39 Dukeson Properties Limited

The Partnership's principal place of business is 101 Wigmore Street, London, United Kingdom W1U 1QU.

The policies under which distributions are made and contributions returned to the Partners are determined by the Limited Partnership Agreement.

The immediate parent undertaking is 39 Dukeson Properties Limited, which is incorporated in the United Kingdom. The Members consider the ultimate parent company and controlling party to be Wittington Investments, Limited, which is incorporated in Canada.

Future developments

Future growth is planned to be driven by continued rental income from the leases of the Partnership's properties.

2024 saw a change in government in the United Kingdom, which brought about shifts in domestic policy and regulatory priorities. In addition to domestic changes, international geopolitical events, including the change in U.S. government and the ongoing conflict between Russia and Ukraine, are contributing to a broader global economic and regulatory environment.

Although these developments are not expected to have an immediate direct impact on operations, they add a layer of market uncertainty that could influence supply chain dynamics and overall industry conditions. The Members are actively assessing these developments to ensure that the Partnership is well-positioned to respond effectively to any emerging challenges and ready to adapt risk management strategies as necessary to navigate the evolving landscape.

The Members are comfortable with the Partnership's financial standing and accordingly the Members continue to adopt the going concern basis in preparing the financial statements.

Financial risk management

The Partnership is not exposed to foreign currency or interest rate risk, see note 15 to the financial statements. Accordingly, it does not use derivatives or hedging instruments.

Members' third-party and pension scheme indemnity provisions

As permitted by the Articles of Association, the Members have the benefit of an indemnity which is a qualifying third party indemnity provision as defined by Section 234 of the Companies Act 2006. The indemnity was in force throughout the last financial year and is currently in force. The Partnership also purchased and maintained throughout the financial period Members' and Officers' liability insurance in respect of itself and its Members.

Employees

The Partnership has no employees.

Small partnerships note

In preparing this report, the Members have taken advantage of the small partnerships exemptions provided by section 415A of the Companies Act 2006 (as applied by the Limited Liability Partnership (Accounts and Audit) (application of Companies Act 2026) Regulations 2008).

39 SCOTTISH LIMITED PARTNERSHIP

**MEMBERS' REPORT (CONTINUED)
FOR THE YEAR ENDED 31 DECEMBER 2024**

Disclosure of information to auditors

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

- so far as the Member is aware, there is no relevant audit information of which the Partnership's auditors are unaware; and;
- the Member has taken all the steps that he/she ought to have taken as a Member in order to make himself/herself aware of any relevant audit information and to establish that the Partnership's auditors are 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.

Independent auditors

Pursuant to Section 487 of the Companies Act 2006, the independent auditors, Kreston Reeves LLP, will continue in office.

Partnership's registered number

The Partnership's registered number is SL011371.

Statement of Members' responsibilities in respect of the financial statements

The Members are responsible for preparing the Strategic Report, Members' Report and the financial statements in accordance with applicable law and regulations.

Company law, as applied to qualifying partnerships by the Partnerships (Accounts) Regulations 2008 (the "Regulations"), requires the Members to prepare financial statements for each financial period. Under that law the Members have prepared the financial statements in accordance with International Financial Reporting Standards (IFRS) as adopted by the UK. Under company law, as applied to qualifying partnerships, the Members 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 qualifying partnership and of the profit or loss of the qualifying partnership for that period. In preparing the financial statements, the Members are required to:

- Select suitable accounting policies and then apply them consistently;
- State whether applicable IFRS as adopted by the UK have been followed, subject to any material departures disclosed and explained in the financial statements;
- Make judgements and accounting estimates that are reasonable and prudent; and
- Prepare the financial statements on the going concern basis unless it is inappropriate to presume that the Partnership will continue in business.

The Members are also responsible for safeguarding the assets of the Partnership and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

The Members are responsible for keeping adequate accounting records that are sufficient to show and explain the Partnership's transactions and disclose with reasonable accuracy at any time the financial position of the Partnership and enable them to ensure that the financial statements comply with the Partnerships (Accounts) Regulations 2008.

Approved by the Members on 29 April 2025 and signed on their behalf by:

Shahram Shahir

S Shahir

On behalf of the Members
29 April 2025

39 SCOTTISH LIMITED PARTNERSHIP**INDEPENDENT AUDITORS' REPORT TO THE MEMBERS
OF 39 SCOTTISH LIMITED PARTNERSHIP****Opinion**

We have audited the financial statements of 39 Scottish Limited Partnership (the 'Partnership') for the year ended 31 December 2024 which comprise the Statement of Profit or Loss and Other Comprehensive Income, the Statement of Financial Position, the Statement of Cash Flows, the Statement of Changes in Equity 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 Partnership's affairs as at 31 December 2024, and of its profit 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 Partnership 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 Members' 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 Partnership'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 Members 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 Members are responsible for the other information contained within the annual report. Our opinion on the financial statements does not cover the other information and, except to the extent otherwise explicitly stated in our report, we do not express any form of assurance or conclusion thereon. Our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the course of the audit, or otherwise appears to be materially misstated. If we identify such material inconsistencies or apparent material misstatements, we are required to determine whether this gives rise to a material misstatement in the financial statements themselves. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

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 Members' Report for the financial year for which the financial statements are prepared is consistent with the financial statements; and
- the Strategic Report and the Members' 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 Partnership and its environment obtained in the course of the audit, we have not identified material misstatements in the Strategic Report and the Members' 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, or returns adequate for our audit have not been received from branches not visited by us; or

39 SCOTTISH LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 39 SCOTTISH LIMITED PARTNERSHIP (CONTINUED)

- the financial statements are not in agreement with the accounting records and returns; or
- certain disclosures of Members' remuneration specified by law are not made; or
- we have not received all the information and explanations we require for our audit; or
- the Members were not entitled to prepare the financial statements in accordance with the small companies regime and take advantage of the small companies' exemptions in preparing the Members' Report and from the requirement to prepare a Strategic Report.

Responsibilities of Members

As explained more fully in the Statement of Members' responsibilities on page 6, the Members 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 Members 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 Members are responsible for assessing the Partnership'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 they either intend to liquidate the Partnership 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.

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:

Capability of the audit in detecting irregularities, including fraud

Based on our understanding of the partnership and industry, and through discussion with the Members and other management (as required by auditing standards), we identified that the principal risks of non-compliance with laws and regulations related to partnership law, The Landlord & Tenant Act 1954 and anti-bribery law. We considered the extent to which non-compliance might have a material effect on the financial statements. We also considered those laws and regulations that have a direct impact on the preparation of the financial statements such as The Limited Liability Partnerships (Application of Companies Act 2006) Regulations 2009 (so far as relevant for determining the content and structure of limited partnerships financial statements). We communicated identified laws and regulations throughout our team and remained alert to any indications of non-compliance throughout the audit. We evaluated management's incentives and opportunities for fraudulent manipulation of the financial statements (including the risk of override of controls), and determined that the principal risks were related to posting inappropriate journal entries to increase revenue or reduce expenditure and management bias in accounting estimates such as intercompany management fees and judgemental areas of the financial statements such as the valuation of investment properties and calculation of accrued income arising from provision of rent-free periods.

Audit procedures performed by the engagement team included:

- Discussions with management and assessment of known or suspected instances of non-compliance with laws and regulations (including health and safety) and fraud,
- Assessment of identified fraud risk factors; and
- Identifying and assessing the design effectiveness of controls that management has in place to prevent and detect fraud; and
- Conducting interviews with appropriate personnel to gain further insight into the control systems implemented, and the risk of irregularity; and
- Challenging assumptions and judgements made by management in its significant accounting estimates; and
- Confirmation of related parties with management, and review of transactions throughout the period to identify any previously undisclosed transactions with related parties outside the normal course of business; and

39 SCOTTISH LIMITED PARTNERSHIP

INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF 39 SCOTTISH LIMITED PARTNERSHIP (CONTINUED)

- Performing procedures with automated data analytics tools to identify any unusual or unexpected relationships, including related party transactions, that may indicate risks of material misstatement due to fraud; and
- Reading minutes of meetings of those charged with governance; and
- Review of significant and unusual transactions and evaluation of the underlying financial rationale supporting the transactions; and
- Identifying and testing journal entries, in particular any manual entries made at the year-end for financial statement preparation.

Because of the inherent limitations of an audit, there is a risk that we will not detect all irregularities, including those leading to a material misstatement in the financial statements or non-compliance with regulation. This risk increases the more that compliance with a law or regulation is removed from the events and transactions reflected in the financial statements, as we will be less likely to become aware of instances of non-compliance. The risk is also greater regarding irregularities occurring due to fraud rather than error, as fraud involves intentional concealment, forgery, collusion, omission or misrepresentation.

As part of an audit in accordance with ISAs (UK), we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Partnership's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Members.
- Conclude on the appropriateness of the Members' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Partnership's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Partnership to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Use of our report

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

Kreston Reeves LLP

Anne Dwyer BSc (Hons) FCA (Senior Statutory Auditor)

Kreston Reeves LLP

London

1 May 2025

39 SCOTTISH LIMITED PARTNERSHIP

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
Revenue	3	4,443	3,090
Administrative expenses		(1,656)	(1,369)
Profit from operations	4	2,787	1,721
Change in revaluation of investment properties	8	2,601	(2,721)
Finance income		31	40
Finance costs	7	(5,010)	(4,878)
Profit/(loss) for the year available for discretionary division amongst Partners		409	(5,838)
Total comprehensive income/(loss)		409	(5,838)

The notes on pages 14 to 25 form an integral part of these financial statements.

The results for the year reflect trading from continuing operations.

Total comprehensive income/(loss) is allocated in full to the Partners of the Partnership.

There was no other comprehensive income/(loss) in the year (2023: nil).

39 SCOTTISH LIMITED PARTNERSHIP**STATEMENT OF FINANCIAL POSITION
AS AT 31 DECEMBER 2024**

	Note	2024 £000	2023 £000
Assets			
Non-current assets			
Investment properties	8	115,400	111,700
Property, plant & equipment	9	1,090	781
		<u>116,490</u>	<u>112,481</u>
Current assets			
Trade and other receivables	10	3,263	3,144
Cash and cash equivalents	13	3,087	1,906
		<u>6,350</u>	<u>5,050</u>
Total assets		<u>122,840</u>	<u>117,531</u>
Liabilities			
Current liabilities			
Trade and other payables	11	1,780	940
		<u>1,780</u>	<u>940</u>
Non-current liabilities			
Loans due to Partners	12	105,107	101,047
		<u>105,107</u>	<u>101,047</u>
Total liabilities		<u>106,887</u>	<u>101,987</u>
Net assets		<u>15,953</u>	<u>15,544</u>
Equity			
Partners' interest		<u>15,953</u>	<u>15,544</u>
Total partners' interest		<u>15,953</u>	<u>15,544</u>

The notes on pages 14 to 25 form an integral part of these financial statements.

The financial statements have been prepared in accordance with the provisions applicable to partnerships subject to the small partnerships regime provided by section 414(3) of the Companies Act 2006 (as applied by the Limited Liability Partnership (Accounts and Audit) (Application of Companies Act 2006) Regulations 2008).

The financial statements and notes on pages 10 to 25 were authorised for issue by the Board of Members on 29 April 2025 and were signed on its behalf by:

Shahram Shahir

S Shahir

On behalf of the Members

Partnership registration number: SL011371

39 SCOTTISH LIMITED PARTNERSHIP

**STATEMENT OF CHANGES IN PARTNERS' INTERESTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	Partners' Interests £000
39 Scotland Limited	
As at 1 January 2023	-
As at 31 December 2023	-
39 Dukeson Properties Limited	
As at 1 January 2023	21,382
Loss for the year	(5,838)
Total comprehensive loss	(5,838)
As at 31 December 2023	15,544
Total Partners' Interests as at 31 December 2023	15,544
39 Scotland Limited	
As at 1 January 2024	-
As at 31 December 2024	-
39 Dukeson Properties Limited	
As at 1 January 2024	15,544
Profit for the year	409
Total comprehensive income	409
As at 31 December 2024	15,953
Total Partners' Interests as at 31 December 2024	15,953

The notes on pages 14 to 25 form an integral part of these financial statements.

39 SCOTTISH LIMITED PARTNERSHIP**STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 31 DECEMBER 2024**

	2024	2023
	£000	£000
Cash flows from operating activities		
Profit/(loss) for the year	409	(5,838)
Adjustments for		
Finance costs	5,010	4,878
Revaluation movements	(2,601)	2,721
Depreciation	113	71
	<u>2,931</u>	<u>1,832</u>
Changes in		
Increase in debtors	(119)	(989)
Increase/(decrease) in creditors	840	(1,102)
	<u>3,652</u>	<u>(259)</u>
Cash generated from/(used in) operations		
Cash flows from investing activities		
Investment property additions	(1,099)	(721)
Purchase of property, plant & equipment	(422)	(181)
	<u>(1,521)</u>	<u>(902)</u>
Net cash used in investing activities		
Cash flows from financing activities		
Distribution to Partner	(950)	-
	<u>(950)</u>	<u>-</u>
Net cash used in financing activities		
Net increase/(decrease) in cash and cash equivalents	1,181	(1,161)
Cash and cash equivalents at the beginning of the year	1,906	3,067
Cash and cash equivalents at the end of the year	<u>3,087</u>	<u>1,906</u>

Cash and cash equivalents are comprised solely of cash at bank and in hand.

The notes on pages 14 to 25 form an integral part of these financial statements.

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

1. General information

The Partnership is a limited partnership, registered and domiciled in Scotland. The address of the Partnership's registered office is 12 Hope Street, Edinburgh, EH2 4DB.

The principal activity of the Partnership is that of an investment property holding partnership. The Partnership's principal place of business is 101 Wigmore Street, London, United Kingdom W1U 1QU.

2. Summary of significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below.

2.1 Basis of preparation

The financial statements of the Partnership have been prepared in accordance with the UK-adopted International Accounting Standards and with the requirements of the Companies Act 2006 Partnerships (Accounts) Regulations 2008 as applicable to companies reporting under those standards.

The accounting policies have been applied consistently, other than where a new policy has been adopted.

Changes in accounting policies:

New standards, interpretations and amendments adopted from 1 January 2024.

The following amendments are effective for the period beginning 1 January 2024:

- Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7);
- Lease Liability in a Sale and Leaseback (Amendments to IFRS 16);
- Classification of Liabilities as Current or Non-Current (Amendments to IAS 1); and
- Non-current Liabilities with Covenants (Amendments to IAS 1)

These amendments to various IFRS Accounting Standards are mandatorily effective for reporting periods beginning on or after 1 January 2024.

Supplier Finance Arrangements (Amendments to IAS 7 & IFRS 7)

On 25 May 2023, the IASB issued Supplier Finance Arrangements, which amended IAS 7 Statement of Cash Flows and IFRS 7 Financial Instruments: Disclosures. The amendments require entities to provide certain specific disclosures (qualitative and quantitative) related to supplier finance arrangements. The amendments also provide guidance on characteristics of supplier finance arrangements.

Lease Liability in a Sale and Leaseback (Amendments to IFRS 16)

On 22 September 2022, the IASB issued amendments to IFRS 16 Leaseback (the Amendments). Prior to the Amendments, IFRS 16 did not contain specific measurement requirements for lease liabilities that may contain variable lease payments arising in a sale and leaseback transaction. In applying the subsequent measurement requirements of lease liabilities to a sale and leaseback transaction, the Amendments require a seller-lessee to determine 'lease payments' or 'revised lease payments' in a way that the seller-lessee would not recognise any amount of the gain or loss that relates to the right of use retained by the seller-lessee.

Classification of Liabilities as Current or Non-Current and Non-current Liabilities with Covenants (Amendments to IAS 1)

The IASB issued amendments to IAS 1 in January 2020 Classification of Liabilities as Current or Non-current and subsequently, in October 2022 Non-current Liabilities with Covenants.

The amendments clarify the following:

- An entity's right to defer settlement of a liability for at least twelve months after the reporting period must have substance and must exist at the end of the reporting period.
- If an entity's right to defer settlement of a liability is subject to covenants, such covenants affect whether that right exists at the end of the reporting period only if the entity is required to comply with the covenant on or before the end of the reporting period.
- The classification of a liability as current or non-current is affected by the likelihood that the entity will exercise its right to defer settlement.

39 SCOTTISH LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2. Summary of significant accounting policies (continued)****2.1 Basis of preparation (continued)**

- In case of a liability that can be settled, at the option of the counterparty, by the transfer of the entity's own equity instruments, such settlement terms do not affect the classification of the liability as current or non-current only if the option is classified as an equity instrument.

The adoption of the standards listed above did not materially impact the financial statements.

New standards, interpretations and amendments not yet effective

There are a number of standards, amendments to standards, and interpretations which have been issued by the IASB that are effective in future accounting periods that the Partnership has decided not to adopt early.

The following amendments are effective for the period beginning 1 January 2025:

- Lack of Exchangeability (Amendment to IAS 21 The Effects of Changes in Foreign Exchange Rates);

The following amendments are effective for the period beginning 1 January 2026:

- Amendments to the Classification and Measurement of Financial Instruments (Amendments to IFRS 9 Financial Instruments and IFRS 7)
- Contracts Referencing Nature-dependent Electricity (Amendments to IFRS 9 and IFRS 7)

The following amendments are effective for the period beginning 1 January 2027:

- IFRS 18 Presentation and Disclosure in Financial Statements
- IFRS 19 Subsidiaries without Public Accountability: Disclosures

The Members do not expect the adoption of the standards listed above to materially impact the financial statements.

2.2 Accounting convention

The financial statements have been prepared under the historical cost convention, as modified by the revaluation of investment properties.

2.3 Functional and presentation currency

These financial statements are presented in Great British Pounds ('GBP'), which is the Partnership's functional currency. All financial information presented in GBP has been rounded to the nearest thousand.

2.4 Distributions

Distributions are recorded in the financial statements in the year in which they are declared.

2.5 Revenue

Revenue, which excludes value added tax, comprises rents and service charge receivable from occupants under operating leases, recognised on an accruals basis. Income arising as a result of rent reviews is recognised when agreement of new terms is reasonably certain.

For base rent, performance obligations are satisfied over time and occupiers are billed in advanced. There are no warranties or returns agreed with occupiers. The transaction price is determined through lease agreements entered into by the Partnership and the occupiers.

2.6 Property, plant and equipment

Property, plant and equipment are initially measured using the cost method and subsequently depreciated using the straight line method over the useful life of the asset. The Partnership holds office equipment which has a useful life of 10 years. The need for impairment is considered on an annual basis.

2.7 Investment properties

Investment properties are owned by the Partnership and are held to generate rental income or long-term capital appreciation or both.

39 SCOTTISH LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2. Summary of significant accounting policies (continued)****2.7 Investment properties (continued)**

Investment properties are initially recognised on acquisition at cost, including related acquisition costs, and are revalued annually to reflect market value. Fair value is determined by external professional valuers. All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognised in the financial statements at fair value on a recurring basis, it is determined whether transfers have occurred between levels in the hierarchy by reassessing categorisation based on the lowest level input that is significant to the fair value measurement as a whole at the end of each reporting period.

Gains or losses arising on the revaluation of investment properties are included in the Statement of Profit or Loss and Other Comprehensive Income in the accounting period in which they arise. Revaluation gains which increase the investment property above cost are transferred to the revaluation reserve. Depreciation is not provided in respect of investment properties.

Additions to properties include the costs of a capital nature only. Expenditure is classified as capital when it results in identifiable future economic benefits which are expected to accrue to the Partnership. All other property expenditure is expensed in the Statement of Profit or Loss and Other Comprehensive Income as incurred.

2.8 Current and deferred taxation

Taxation due on the Partnership's profits is a liability of each individual partner and consequently is not dealt with in these financial statements.

2.9 Trade and other receivables

Trade and other receivables are recorded at amortised cost.

The Partnership's accounting policy for the establishment of provisions against trade receivables reflects the lifetime expected credit loss, consistent with the simplified approach under IFRS 9.

2.10 Cash and cash equivalents

Cash and cash equivalents include short-term deposits with banks and other financial institutions, with an initial maturity of three months or less.

2.11 Trade and other payables

Trade and other payables are recorded initially at fair value and subsequently measured at amortised cost. Generally this results in their recognition at their nominal value.

2.12 Leases*The Partnership as lessor*

All of the Partnership's leases to its occupants fall within the definition of operating leases, as substantially all the risks and rewards of ownership are retained by the Partnership.

39 SCOTTISH LIMITED PARTNERSHIP**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024****2. Summary of significant accounting policies (continued)****2.13 Capital management***Capital risks*

The Partnership's objectives when managing capital (i.e., the Partners' equity in the business) are to safeguard the Partnership's ability to continue as a going concern in order to provide returns for Partners and benefits for other stakeholders and to maintain an optimal capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Partnership may adjust the amount of distributions paid to Partners, reduce capital to Partners, increase contributions from Partners or sell assets to reduce debt.

2.14 Financial instruments

Financial assets and liabilities are recognised in the Partnership's balance sheet when the Partnership becomes a party to the contractual provisions of the instrument. The principal financial instruments used by the Partnership are trade receivables, cash and cash equivalents, and trade payables measured subsequently at amortised cost.

2.15 Other financial assets

Other financial assets are initially measured at fair value and are subsequently held at amortised cost. As such, this results in their recognition at nominal value less any allowance for any doubtful debts.

2.16 Borrowings and other financial liabilities

Interest-bearing intra-group loans are initially recorded at fair value, which equals the proceeds received, net of direct issue costs. They are subsequently held at amortised cost. Finance charges, including premiums payable on settlement or redemption and direct issue costs, are accounted for using an effective interest rate method and are added to the carrying amount of the instrument to the extent that they are not settled in the year in which they arise.

2.17 Net assets attributable to Partners

The Partnership's contributed capital consists of capital and loan contributions. Net assets attributable to Partners is classified as a financial liability, due to the Partnership's finite life and contractual payment provisions to each of the Partners.

2.18 Significant accounting assumptions and judgements

In preparing the financial statements, judgments, estimates and assumptions are made by management which affect the reported amounts in the financial statements. Actual results may differ from these estimates and could require a material adjustment to the carrying value of the assets affected. Changes in the assumptions can affect the financial statements, particularly as regards the following:

Building valuation

The Partnership uses the valuation performed by its external valuers, as the basis for the fair value of its investment property. The valuation of the Partnership's property is inherently subjective due to, among other factors, the individual nature of the property, its location and the expected future rental income. As a result, the valuation the Partnership places on its property is subject to a degree of uncertainty and is made on the basis of assumptions which may not prove to be accurate, particularly in periods of volatility or low transaction flow in the commercial and residential property market. The external valuers make a number of assumptions in forming their opinion on the valuation of the investment property, which are detailed in the basis of valuation in note 8. These assumptions are in accordance with RICS Valuation Standards. However, if any assumptions made by the external valuers prove to be incorrect, this may mean that the value of the Partnership's properties differ from the valuation reported in the financial statements, which could have a material effect on the Partnership's financial position. The Members concur with these assumptions. The carrying values of the investment property are within note 8.

Loans to Partners

Estimates of future cash flows are made in order to record liabilities due to the Partners. These are reviewed annually and the liabilities updated accordingly for actual cash flows.

In calculating the effective interest rate, the Partnership estimates cash flows considering all contractual terms of the financial instrument and those beyond the contractual period.

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

2. Summary of significant accounting policies (continued)

2.18 Significant accounting assumptions and judgements (continued)

Judgements are based on existing knowledge. If outcomes within the next financial year are different from these assumptions, then it could result in a material adjustment to the carrying amount of the assets or liabilities affected. The carrying values are within note 12.

Lease incentives

Lease incentives, such as rent free periods, are accrued and then released over the full term of the lease to the Statement of Profit or Loss and Other Comprehensive Income to reflect the assumption that occupants will occupy their unit for the duration of the lease. For further information including carrying values please see note 10.

Loss allowances

The loss allowances for financial assets are based on assumptions about risk of default and expected credit loss rates. The Partnership uses judgement in making these assumptions and selecting the inputs to the impairment calculation, based on the Partnership's past and existing market conditions, as well as forward-looking estimates at the end of each reporting period. For further information including the carrying values please see note 10.

3. Revenue

The investment property generates commercial rental income from multiple occupants. During the year the Partnership received £4,443,000 (2023: £3,090,000) in rental and service charge income from the leases of this property. All income is generated in the United Kingdom.

4. Profit from operations

Profit from operations is stated after charging the items set out below:

	2024	2023
	£000	£000
Depreciation	113	71
Other costs	539	211
Legal and professional costs	123	226
Intercompany charges	761	655
Expected credit loss of trade receivables	-	206
Bad debt write-off	120	-

5. Auditors' remuneration

The audit fees are borne by the Partnership. The audit fee for the Partnership for the year is £7,400 (2023: £11,000). There were no other fees payable to the auditors.

6. Employee information

The average monthly number of employees was nil (2023: nil).

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

7. Finance costs

	2024	2023
	£000	£000
Interest payable to Partners	5,010	4,878
Interest payable and similar charges	5,010	4,878

All interest payable arose from financial liabilities at amortised cost.

8. Investment properties

	Freehold land and buildings
	£000
As at 1 January 2023	113,700
Additions	721
Net loss on revaluation	(2,721)
As at 31 December 2023	111,700
Additions	1,099
Net gain on revaluation	2,601
As at 31 December 2024	115,400

During the year the Partnership received £4,443,000 (2023: £3,090,000) in rental and service charge income from the leases of this property, which is recognised in the Statement of Profit or Loss and Other Comprehensive Income. Direct operating expenses, including repairs and maintenance, arising from investment property that generated rental income amounted to £89,000 (2023: £160,000). Direct operating expenses, including repairs and maintenance arising from investment properties that did not generate rental income during the year amounted to £nil (2023: £nil).

External valuers

The investment properties were subject to an external valuation as at 31 December 2024 by qualified valuers, being members of the Royal Institute of Chartered Surveyors. The external valuers have sufficient local and national knowledge of the particular property market involved.

The properties were valued on the basis of fair value and highest and best use in accordance with the RICS Valuation – Professional Standards 2014 and IFRS 13. When considering the highest and best use a valuer considers its actual and potential uses which are legally and financially viable. Where the highest and best use differs from the existing use, the valuer considers the use a market participant would have in mind when formulating the price it would bid and reflects the cost and likelihood of achieving that use.

The external valuations use information provided by the Partnership, such as tenancy information and capital expenditure expectations. The valuers, in forming their opinion make a series of assumptions. The assumptions are typically market related, such as yields and rental values, and are based on the valuers' professional judgment and market observations. The major inputs to the external valuation are reviewed by the Members.

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

8. Investment properties (continued)

The valuation at 31 December 2024 resulted in an increase of £2,601,000 (2023: decrease of £2,721,000) in the value of the investment property portfolio, which has been recognised in the Statement of Profit or Loss and Other Comprehensive Income.

Fair value measurements

The Partnership's investment properties are reported under IFRS 13 'Fair value measurement' which uses the following hierarchy to determine the valuation basis of assets and liabilities:

- Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

The fair value of the Partnership's property has been determined using a market approach which provides an indication of the value by comparing the subject assets with identical or similar assets for which price information is available. All properties held by the Partnership at the end of the year were therefore rated level 2.

Sensitivity

The table below illustrates the estimated impact on the Statement of Profit or Loss and Other Comprehensive Income and Equity as a result of market movements in the fair value of the Partnership's property. The Members consider that a 10.00% +/- movement in value represents a reasonable possible change. However, this analysis is for illustrative purposes only.

The property's estimated rental value and rent yields are interrelated and movement in one will result in movement in the other.

	2024	2023
	£000	£000
10% weakening in property estimated rental value	(10,350)	(9,600)
10% strengthening in property estimated rental value	10,550	9,650
0.5% strengthening of rent yields	(11,750)	(12,100)
0.5% weakening of rent yields	14,700	14,450

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

9. Property, plant & equipment

**Office
equipment
£000**

Cost

As at 1 January 2023	671
Additions	181
As at 31 December 2023	852

As at 1 January 2024	852
Additions	422
As at 31 December 2024	1,274

Depreciation

As at 1 January 2023	-
Charge for the year	71
As at 31 December 2023	71

As at 1 January 2024	71
Charge for the year	113
As at 31 December 2024	184

Carrying value as at 31 December 2023 **781**

Carrying value as at 31 December 2024 **1,090**

10. Trade and other receivables

	2024	2023
	£000	£000
Amounts owed by third party occupants	-	245
Amounts owed by entities under common control	-	38
Prepayments	73	69
Accrued income	2,024	1,614
Other receivables	1,166	1,384
Loss allowance	-	(206)
Total trade and other receivables	3,263	3,144

The amounts owed by entities under common control are not interest bearing and are repayable on demand.

As at 31 December 2024, the Partnership holds £390,000 (2023: £330,000) of deposits on behalf of occupants in protected accounts, which are not recognised on the balance sheet. These amounts are received at the start of the lease to cover any necessary expenditure throughout the tenancy, and remaining amounts are payable to the occupants on exit of this lease.

The Partnership recognises expected credit losses (ECL) on all financial assets that are subject to credit risk, principally trade receivables, in accordance with IFRS 9, Financial Instruments. The Partnership uses a forward-looking approach to estimate ECL, which takes into account all available information about the credit risk of its financial assets, such as historical experience, current conditions, and reasonable and supportable forecasts. The Partnership regularly reviews the ECL estimate and updates any losses when new information becomes available. An assessment is performed on a tenant-by-tenant basis and any resulting loss allowance is included in note 10 which is nil in 2024 (2023: £206,000).

39 SCOTTISH LIMITED PARTNERSHIP
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024

11. Trade and other payables

	2024	2023
	£000	£000
Current		
Other payables	536	281
Accruals and deferred income	726	659
Amounts owed to entities under common control	423	-
Amounts owed to third party occupants	95	-
Total current liabilities	1,780	940

12. Loans due to partners

	2024	2023
	£000	£000
Loans due to partners	105,107	101,047
Total non-current liabilities	105,107	101,047

£30,086,000 of the non-current loans is due to 39 Dukeson Properties Limited (2023: £29,691,000). This is unsecured and repayable by instalments as set out in the maturity profile in note 14. The loan is due to be repaid in 2032 and carries an implicit interest rate of 5.1% per annum (2023: 5.1%).

£15,058,000 of the non-current loans relates to an outstanding loan due to the partner, 39 Dukeson Properties Limited, which was issued in 2017 (2023: £14,343,000). This is unsecured and repayable by instalments as set out in the maturity profile in note 14. The loan is due to be repaid in 2032 and carries an implicit interest rate of 5.7% per annum (2023: 5.7%).

£59,963,000 of the non-current loans relates to an outstanding loan due to the partner, 39 Dukeson Properties Limited (2023: £57,013,000). This is unsecured and repayable by instalments as set out in the maturity profile in note 14. The loan is due to be repaid in 2032 and carries an implicit interest rate of 4.1% per annum (2023: 4.1%).

All borrowings rank pari passu in all respects with other liabilities. The non-current borrowings are all due in over 5 years.

13. Financial assets by category

	At amortised cost
	£000
As at 31 December 2023	
Cash and cash equivalents	1,906
Trade and other receivables	3,281
Total	5,187
As at 31 December 2024	
Cash and cash equivalents	3,087
Trade and other receivables	3,190
Total	6,277

Trade and other receivables is made up of third party and intercompany receivables, other receivables and accrued income. There are no expected credit losses associated with these assets.

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

14. Financial liabilities by category

	At amortised cost
	£000
As at 31 December 2023	
Other financial liabilities	383
Borrowings	
- Current	
- Non-current	101,047
Total	101,430
As at 31 December 2024	
Other financial liabilities	1,054
Borrowings	
- Current	
- Non-current	105,107
Total	106,161

Other financial liabilities are made up of third party and intercompany payables, other payables and accruals. Other financial liabilities are due within 12 months, the non-current borrowings are due in over 5 years.

15. Financial risk management

The Members consider the Partnership's financial risk profile below. The principal financial risks faced by the Partnership are liquidity and credit risk. Given the nature of the Partnership's operations, it is not exposed to price or foreign currency risk.

Liquidity and funding

Liquidity and funding risk is the risk that the Partnership will not be able to meet its short term financial demands. The Partnership is funded by a combination of retained profits and loan facilities with companies under common control.

Management produces monthly cash flow reporting to analyse the liquidity position and manage any potential risks.

Counterparty risk

Counterparty risk is the risk that one of the Partnership's counterparties will not meet its contractual obligations. The Partnership is exposed to counterparty risks arising from its holdings of cash and cash equivalents and outstanding debtor balances. Management considers this risk to be low.

Credit risk

The Partnership is exposed to credit risk, although management considers this to be low. The Partnership receives rent in advance from occupants, and a thorough financial review is performed of both the occupant and guarantor prior to the lease being signed. The identified impairment in relation to financial assets and cash and cash equivalents under IFRS 9 is considered to be immaterial.

The Partnership applies the IFRS 9 simplified approach to measuring expected credit losses using a lifetime expected credit loss provision for trade receivables and contract assets. To measure expected credit losses on a collective basis, trade receivables and contract assets are grouped based on similar credit risk and aging. The contract assets have similar risk characteristics to the trade receivables for similar types of contracts.

Sensitivity

Given the nature of the Partnership's activities, neither leases nor present financial liabilities are exposed to changes in interest or foreign exchange rates and as such, management do not present a sensitivity analysis of the financial liabilities.

39 SCOTTISH LIMITED PARTNERSHIP

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**15. Financial risk management (continued)***Capital risk management*

The Partnership's objectives when managing capital (i.e. the Partners' equity in the business) are to safeguard the Partnership's ability to continue as a going concern in order to provide returns for its Partners and to maintain an efficient capital structure to reduce the cost of capital.

In order to maintain or adjust the capital structure, the Partnership may adjust the amount of distributions paid to Partners, reduce capital to Partners, increase Partner contributions or sell assets to reduce debt.

Investment property

Although the Partnership is exposed to changes in the residual value at the end of the current leases, the Partnership typically enters into new operating leases and therefore will not immediately realise any reduction in residual value at the end of these leases. Expectations about the future residual values are reflected in the fair value of the property. The property itself is exposed to risk around its value which is largely driven by the property market. The market is cyclical and subject to variations, with focus given to long-term value.

16. The Partnership as a lessor

Future aggregate minimum lease rentals receivable under non-cancellable operating leases based on contractual rental income at the year-end is as follows:

	2024	2023
	£000	£000
No later than one year	2,841	3,205
Between 1 and 2 years	1,658	1,785
Between 2 and 3 years	664	1,818
Between 3 and 4 years	225	2,095
Between 4 and 5 years	235	2,304
Later than 5 years	964	8,604
Total	6,587	19,811

The Partnership has multiple leases in issue, with various lease terms which are property-related and commercial in nature.

17. Capital commitments

The Partnership has the following capital commitments in respect of construction projects.

	2024	2023
	£000	£000
Commitments contracted but not provided in the accounts	1,126	118

18. Ultimate controlling party

The Partnership has two partners as at 31 December 2024 as listed in the Members' report and neither of these are the ultimate controlling party. The Partnership's immediate parent company is 39 Dukeson Properties Limited.

The Partnership is not consolidated with the parent company's financial statements and as such the Partnership is both the largest and smallest undertaking.

The Members consider the ultimate parent company and controlling party to be Wittington Investments, Limited which is incorporated in Canada.

39 SCOTTISH LIMITED PARTNERSHIP

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 31 DECEMBER 2024**

19. Related party transactions

The Partnership has three outstanding loans due to 39 Dukeson Properties Limited, its immediate parent company, all payable by September 2032 which amount to £30,086,000, £15,058,000 and £59,963,000 at the year-end (2023: £29,691,000, £14,343,000 and £57,013,000). Interest was charged by the Partnership on the loan provided at a rate of 5.1%, 5.7% and 4.1% per annum respectively (2023: 5.1%, 5.7% and 4.1%).

During the year, the Partnership owed £615,000 (2023: £655,000) to Duke Street Property Limited (an entity under common control) in respect of expenses and management fees. The outstanding balance owed to Duke Street Property Limited by the Partnership at the year-end was £424,000 (2023: £78,000).

39 Scotland Limited received administrative income from the Partnership of £1,200 during the year (2023: £1,200) of which £nil (2023: £600) was outstanding at the year end. No interest was charged on the accrued balance.

20. Events after the reporting period

There are no events to report subsequent to the reporting period.