

**Ediston Investment Services Limited**  
**Financial Statements**  
**For the year ended**  
**31 December 2023**

**CT:**

# Ediston Investment Services Limited

## Financial Statements

Year ended 31 December 2023

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# Ediston Investment Services Limited

## Officers and Professional Advisers

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### **The Board of Directors**

D O'Neill  
G Lind  
A McKinlay  
C Bruce  
R Laing  
G Carswell

### **Registered Office**

Level 4  
Dashwood House  
69 Old Broad Street  
London  
EC2M 1QS

### **Auditor**

Chiene + Tait LLP (trading as CT)  
Chartered Accountants & statutory auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

### **Bankers**

The Royal Bank of Scotland Plc  
36 St Andrew Square  
Edinburgh  
EH2 2AD

### **Solicitors**

Dickson Minto WS  
16 Charlotte Square  
Edinburgh  
EH2 4DF

# Ediston Investment Services Limited

## Strategic Report

### Year ended 31 December 2023

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The directors present their strategic report for Ediston Investment Services Limited for the year ended 31 December 2023.

#### **Review and analysis of the business during the current year**

The principal activity of the Company in the year under review was alternative investment fund management of real estate.

#### **Key performance indicators**

The Company's primary objective is to maximise shareholder return.

The key performance indicators used to assess the Company's success in meeting its objectives are its level of fee income and profitability which will increase in line with assets under management. Growth of the Company is an ongoing consideration for the Board.

#### **Development and financial performance during the year**

The Company is registered with the Financial Conduct Authority for alternative investment fund management. The Company is in a strong financial position with capital reserves well in excess of the minimum set by the requirements of the Financial Conduct Authority.

#### **Financial position at the reporting date**

The balance sheet shows that the Company's net assets at the year end have increased from £7,305,333 to £8,290,083 reflecting the profit for the year.

#### **Principal risks and uncertainties facing the business**

The Directors have the material risks to the Company's business as being:

- (1) Change in Market Conditions
- (2) Loss of Key Staff
- (3) Poor Investment Opportunities
- (4) Overexposure to Specific Factors
- (5) Client Diversification
- (6) Ineffective Asset Management

As far as possible the Company has controls in place to mitigate against these risks, but they are all risks that could materialise. Capital impacts have been calculated for each, and this has been factored into the amount of capital that it is deemed appropriate for the Company to hold.

#### **Section 172 statement**

Section 172 of the Companies Act 2006 requires the Directors to act in a way that they consider to be in good faith, and would be most likely to promote the success of the Company for the benefit of its members as a whole. In doing so the Directors have regard to (among other matters):

- the likely consequences of long-term decision making
- the interests of the Company's employees
- the need to foster the Company's business relationships with suppliers, clients and others
- the impact of the Company's operations on the community and the environment
- the desirability of the Company maintaining a reputation for high standards of business conduct
- the need to act fairly between members of the Company

The Directors meet regularly to discuss their duties and they can access professional advice on these from an independent provider if necessary, and fulfil their duties through a governance framework.

Regular meetings and reviews are held with all employees to ensure that their skills are developed, performance managed, and health and wellbeing maintained in the workplace.

Business relationships with all customers are maintained and developed through regular contact and discussion. Key suppliers are regularly reviewed by the Directors and the terms of the relationships considered as to their appropriateness for the Company and fairness to other parties.

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# Ediston Investment Services Limited

## Strategic Report *(continued)*

### Year ended 31 December 2023

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The impact of the Company's business on the community and environment is considered to be low due to the nature of its activities and limited physical footprint, but the Directors endeavour to take into account how any actual or perceived detrimental impacts can be minimised where relevant.

The nature of the Company's activities and regulatory environment it operates in necessitates that high levels of business conduct, ethics, and integrity is maintained and this is monitored by the Directors regularly.

Engagement with members of the Company is maintained through communication with the Board where appropriate, with recognition of the need to act fairly between members in line with the Company's approach to business conduct.

This report was approved by the board of directors on 28 March 2024 ..... and signed on behalf of the board by:



G Carwell  
Director

# Ediston Investment Services Limited

## Directors' Report

### Year ended 31 December 2023

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The directors present their report and the financial statements of the company for the year ended 31 December 2023.

#### Principal activities

The principal activity of the Company in the year under review was alternative investment fund management of real estate. The Company is authorised and regulated by the Financial Conduct Authority and has permission to conduct certain types of investment business.

#### Directors

The directors who served the company during the year were as follows:

D O'Neill

G Lind

A McKinlay

C Bruce

R Laing

G Carswell

*(Appointed 14 April 2023)*

N Yousaf

*(Resigned 20 January 2023)*

#### Dividends

The Directors do not recommend any payment of a dividend.

#### Future developments

On 8 September 2023, the Company received notice from Ediston Property Investment Company PLC to terminate its Investment Management Agreement in advance of the listed vehicle entering liquidation, which it did so on 11 January 2024. In 2024, the Company will benefit from an Investment Management fee that equated to running through to 7 September 2024 and was paid in January 2024. Therefore, the Company is expected to remain profitable but will continue to manage its cost base accordingly and explore revenue growth in respect of existing and prospective clients.

#### Going concern

For further information regarding the directors' assessment of the going concern status of the Company, refer to the accounting policies in the financial statements.

#### Financial instruments

The Company's activities expose it to a number of financial risks including credit risk and liquidity risk.

#### Credit risk

The Company's principal financial assets are investments, bank balances and cash, and trade and other debtors. The Company's credit risk is primarily attributable to its trade debtors and deposits. Trade debtor balances are monitored on an ongoing basis and provision is made for doubtful debts if necessary. The credit risk on liquid funds and deposits with financial institutions is limited because the counterparties are financial institutions with high credit ratings assigned by international credit rating agencies. Investments represent the Company's holding in a related undertaking, Ediston Property Investment Company PLC. These shares are traded and revaluation movements are taken to profit and loss account on an ongoing basis. The Directors review the ongoing performance of this investment which entered voluntary liquidation on 11 January 2024 and has since made an initial capital distribution broadly in line with the valuation at the balance sheet date. A further, small distribution is expected during the course of 2024.

#### Liquidity risk

In order to maintain liquidity to ensure that sufficient funds are available for ongoing operations and future projects, the company reviews cash requirements on a regular basis and holds funds in current or deposit accounts as appropriate. At 31 December 2023, the company had an inter-company balance with Ediston Properties Limited to benefit from a better rate of interest whilst it was in the process of opening a new bank account to obtain improved bank interest rates.

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# Ediston Investment Services Limited

## Directors' Report *(continued)*

### Year ended 31 December 2023

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#### Energy and carbon report

As the Company has not consumed more than 40,000kWh of energy in this reporting period, it qualifies as a low energy user under regulations and is not required to report on its emissions, energy consumption or energy efficiency activities.

#### Directors' responsibilities statement

The directors are responsible for preparing the strategic report, directors' report and the financial statements in accordance with applicable law and regulations.

Company law requires the directors to prepare financial statements for each financial year. Under that law the directors have elected to prepare the financial statements in accordance with United Kingdom Generally Accepted Accounting Practice (United Kingdom Accounting Standards and applicable law). 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 the profit or loss of the company for that period.

In preparing these financial statements, the directors are required to:

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

The directors are responsible for keeping adequate accounting records that are sufficient to show and explain the company's transactions and disclose with reasonable accuracy at any time the financial position of the company and enable them to ensure that the financial statements comply with the Companies Act 2006. They are also responsible for safeguarding the assets of the company and hence for taking reasonable steps for the prevention and detection of fraud and other irregularities.

#### Auditor

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

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

28 March 2024

This report was approved by the board of directors on ..... and signed on behalf of the board by:

*Gregg Carswell*

G Carswell  
Director



## Ediston Investment Services Limited

### Independent Auditor's Report to the Members of Ediston Investment Services Limited

Year ended 31 December 2023

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#### Opinion

We have audited the financial statements of Ediston Investment Services Limited (the 'company') for the year ended 31 December 2023 which comprise the statement of income and retained earnings, statement of financial position, statement of cash flows and the related notes, including a summary of significant accounting policies. The financial reporting framework that has been applied in their preparation is applicable law and United Kingdom Accounting Standards, including FRS 102 The Financial Reporting Standard applicable in the UK and Republic of Ireland (United Kingdom Generally Accepted Accounting Practice).

In our opinion the financial statements:

- give a true and fair view of the state of the company's affairs as at 31 December 2023 and of its profit for the year then ended;
- have been properly prepared in accordance with United Kingdom Generally Accepted Accounting Practice;
- have been prepared in accordance with the requirements of the Companies Act 2006.

#### Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (UK) (ISAs (UK)) and applicable law. Our responsibilities under those standards are further described in the auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the ethical requirements that are relevant to our audit of the financial statements in the UK, including the FRC's Ethical Standard, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### Conclusions relating to going concern

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

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

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

#### Other information

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

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

We have nothing to report in this regard.

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## **Ediston Investment Services Limited**

### **Independent Auditor's Report to the Members of Ediston Investment Services Limited** *(continued)*

**Year ended 31 December 2023**

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#### **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 or the directors' report.

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

- adequate accounting records have not been kept, 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.

#### **Responsibilities of directors**

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

In preparing the financial statements, the directors are responsible for assessing the 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.



## Ediston Investment Services Limited

### Independent Auditor's Report to the Members of Ediston Investment Services Limited *(continued)*

Year ended 31 December 2023

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#### **Auditor's responsibilities for the audit of the financial statements**

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

#### **Irregularities, including fraud, are instances of non-compliance with laws and regulations**

We design procedures in line with our responsibilities, outlined above, to detect material misstatements in respect of irregularities, including fraud. The extent to which our procedures are capable of detecting irregularities, including fraud is detailed below:

We gained an understanding of the legal and regulatory framework applicable to the Company and the industry in which it operates and considered the risk of acts by the Company which were contrary to applicable laws and regulations, including fraud. These included but were not limited to the Companies Act 2006 and FCA regulations.

Our audit procedures were designed to respond to risks of material misstatement in the financial statements, recognising that the risk of not detecting a material misstatement due to fraud is higher than the risk of not detecting one resulting from error, as fraud may involve deliberate concealment by, for example, forgery, misrepresentations or through collusion.

We focused on laws and regulations that could give rise to a material misstatement in the Company's financial statements. Our tests included, but were not limited to:

- agreement of the financial statement disclosures to underlying supporting documentation;
- enquiries of the directors;
- review of minutes of board meetings throughout the period;
- review of legal correspondence or invoices, and
- obtaining an understanding of the control environment in monitoring compliance with laws and regulations.

There are inherent limitations in an audit of financial statements and the further removed non-compliance with laws and regulations is from the events and transactions reflected in the financial statements, the less likely we would become aware of it. We also addressed the risk of management override of internal controls, including testing journals and evaluating whether there was evidence of bias by the directors that represented a risk of material misstatement due to fraud.

A further description of our responsibilities for the audit of the financial statements is located on the Financial Reporting Council's website at [www.frc.org.uk/auditorsresponsibilities](http://www.frc.org.uk/auditorsresponsibilities). This description forms part of our auditor's report.



## Ediston Investment Services Limited

### Independent Auditor's Report to the Members of Ediston Investment Services Limited *(continued)*

Year ended 31 December 2023

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#### 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.

*Stuart Beattie*

Stuart Beattie CA (Senior Statutory Auditor)

For and on behalf of  
Chiene + Tait LLP (trading as CT)  
Chartered Accountants & statutory auditor  
61 Dublin Street  
Edinburgh  
EH3 6NL

28 March 2024 2024

**Ediston Investment Services Limited**  
**Statement of Income and Retained Earnings**  
**Year ended 31 December 2023**

	<b>Note</b>	<b>2023</b>	<b>2022</b>
		<b>£</b>	<b>£</b>
<b>Turnover</b>	<b>4</b>	1,616,779	1,848,968
<b>Gross profit</b>		<u>1,616,779</u>	<u>1,848,968</u>
Administrative expenses		<u>(729,592)</u>	<u>(834,562)</u>
<b>Operating profit</b>		887,187	1,014,406
Income from other fixed asset investments	<b>8</b>	71,975	52,580
Other interest receivable and similar income	<b>9</b>	<u>296,518</u>	<u>(259,528)</u>
<b>Profit before taxation</b>		1,255,680	807,458
Tax on profit	<b>10</b>	<u>(270,930)</u>	<u>(166,733)</u>
<b>Profit for the financial year and total comprehensive income</b>		<u>984,750</u>	<u>640,725</u>
<b>Retained earnings at the start of the year</b>		<u>7,231,893</u>	<u>6,591,168</u>
<b>Retained earnings at the end of the year</b>		<u>8,216,643</u>	<u>7,231,893</u>

All the activities of the company are from continuing operations.

The company has no other recognised items of income and expenses other than the results for the year as set out above.

The notes on pages 13 to 19 form part of these financial statements.

**Ediston Investment Services Limited****Statement of Financial Position****31 December 2023**

	Note	2023		2022
		£	£	£
<b>Fixed assets</b>				
Investments	11		1,011,183	799,637
<b>Current assets</b>				
Debtors	12	7,303,918		1,129,650
Cash at bank and in hand		296,047		5,491,122
		7,599,965		6,620,772
<b>Creditors: amounts falling due within one year</b>	13	(315,470)		(115,076)
<b>Net current assets</b>			7,284,495	6,505,696
<b>Total assets less current liabilities</b>			8,295,678	7,305,333
<b>Provisions</b>	14		(5,595)	-
<b>Net assets</b>			8,290,083	7,305,333
<b>Capital and reserves</b>				
Called up share capital	17		67,932	67,932
Capital redemption reserve	18		5,508	5,508
Profit and loss account	18		8,216,643	7,231,893
<b>Shareholders' funds</b>			8,290,083	7,305,333

These financial statements have been prepared in accordance with the provisions applicable to companies subject to the medium companies regime.

These financial statements were approved by the board of directors and authorised for issue on 28 March 2024, and are signed on behalf of the board by:



G Carswell  
Director

Company registration number: 09626337

The notes on pages 13 to 19 form part of these financial statements.

# Ediston Investment Services Limited

## Statement of Cash Flows

Year ended 31 December 2023

	2023 £	2022 £
<b>Cash flows from operating activities</b>		
Profit for the financial year	984,750	640,725
<i>Adjustments for:</i>		
Income from other fixed asset investments	(71,975)	(52,580)
Other interest receivable and similar income	(296,518)	259,528
Tax on profit	270,930	166,733
Accrued expenses	672	744
<i>Changes in:</i>		
Trade and other debtors	(6,174,267)	1,754,578
Trade and other creditors	(16,526)	(21,379)
Cash (used in)/generated from operations	(5,302,934)	2,748,349
Interest received	296,518	32,120
Tax paid	(188,562)	(481,409)
Net cash (used in)/from operating activities	<u>(5,194,978)</u>	<u>2,299,060</u>
<b>Cash flows from investing activities</b>		
Purchases of other investments	(72,072)	(425,158)
Dividends receivable	71,975	52,580
Net cash used in investing activities	<u>(97)</u>	<u>(372,578)</u>
<b>Net (decrease)/increase in cash and cash equivalents</b>	(5,195,075)	1,926,482
<b>Cash and cash equivalents at beginning of year</b>	5,491,122	3,564,640
<b>Cash and cash equivalents at end of year</b>	<u>296,047</u>	<u>5,491,122</u>

The notes on pages 13 to 19 form part of these financial statements.

# Ediston Investment Services Limited

## Notes to the Financial Statements

Year ended 31 December 2023

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### 1. Company information

The company is a private company limited by shares, registered in England and Wales. The address of the registered office is Level 4, Dashwood House, 69 Old Broad Street, London, EC2M 1QS.

### 2. Statement of compliance

These financial statements have been prepared in compliance with FRS 102, 'The Financial Reporting Standard applicable in the UK and the Republic of Ireland', and with the Companies Act 2006.

### 3. Accounting policies

#### Basis of preparation

The financial statements have been prepared under the historical cost convention and in accordance with Financial Reporting Standard 102 - 'The Financial Reporting Standard applicable in the United Kingdom and Republic of Ireland' ("FRS102") issued by the Financial Reporting Council, and applicable legislation as set out in the Companies Act 2006.

#### Going concern

These financial statements have been prepared on a going concern basis. The current economic conditions present increased risks for all businesses. In response to such conditions, the directors have carefully considered these risks, including an assessment of the uncertainty on future trading projection for a period of at least 12 months from the date of signing the financial statements, and the extent to which they might affect the preparation of the financial statements on a going concern basis.

Based on this assessment, the directors consider that the Company maintains an appropriate level of liquidity, sufficient to meet the demands of the business.

In addition, the Company's assets are assessed for recoverability on a regular basis, and the directors consider that the Company is not exposed to losses on these assets which would affect their decision to adopt the going concern basis.

The directors have a reasonable expectation that the Company has adequate resources to continue in operational existence for the foreseeable future and that there are no material uncertainties that lead to significant doubt upon the Company's ability to continue as a going concern. Thus they continue to adopt the going concern basis of accounting in preparing these financial statements.

#### Significant judgements and estimation uncertainty

In the application of the company's accounting policies, the directors are required to make judgements, estimates and assumptions about the carrying amounts of assets and liabilities that are not readily apparent from other sources. As the estimates and associated assumptions are based on historical experience and other factors that are considered to be relevant, actual results may differ from these estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are addressed below.

#### i) Impairment of debtors

The company makes an estimate of the recoverable value of trade and other debtors. When assessing impairment of trade and other debtors, management considers factors including the current credit rating of the debtor, the ageing profile of debtors and historical experience. See note 12 for carrying amount of debtors.

#### Revenue recognition

Turnover is measured at the fair value of the consideration received or receivable and represents investment manager fee income net of VAT and is recognised in the period in which the service is made.

# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 3. Accounting policies *(continued)*

##### Taxation

Taxation expense for the period comprises current and deferred tax. Tax currently payable, relating to UK corporation tax, is calculated on the basis of tax rates and laws that have been enacted or substantively enacted as at the reporting date.

Deferred tax is recognised on all timing differences that have originated but not reversed at the reporting date. Transactions or events that result in an obligation to pay more tax in the future or a right to pay less tax in the future gives rise to a deferred tax liability or asset. Timing differences are differences between taxable profits and total comprehensive income as stated in the financial statements that arise from the inclusion of income and expenses in tax assessments in periods different from those in which they are recognised in the financial statements.

Deferred tax is measured using the tax rates and laws that have been enacted or substantively enacted as at the reporting date that are expected to apply to the reversal of the timing difference. The tax expense is recognised in the same component of comprehensive income or equity as the transaction or other event that resulted in the tax expense.

Deferred income tax assets are only recognised to the extent that, on the basis of all available evidence, it is deemed probable that there will be suitable taxable profits from which the future reversal of the underlying timing differences can be deducted.

Current and deferred tax assets and liabilities are offset only when there is a legally enforceable right to set off the amounts and there is the intention either to settle on a net basis or to realise the asset and settle the liability simultaneously.

##### Investments

Fixed asset investments are initially recorded at cost, and subsequently stated at cost less any accumulated impairment losses.

Listed investments are measured at fair value with changes in fair value being recognised in profit or loss.

##### Impairment of fixed assets

At each reporting date the Company reviews the carrying value of its assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss.

The recoverable amount of an asset is the higher of the fair value less costs to sell, and value in use. Value in use is the present value of the future cash flows expected to be derived from the asset, or cash generating unit. The present value calculation involves estimating the future cash inflows and outflows to be derived from continuing use of the asset and from its ultimate disposal, applying an appropriate discount rate to those future cash flows.

Where the recoverable amount of an asset is less than the carrying amount, an impairment loss is recognised immediately in profit or loss. An impairment loss recognised for all assets is reversed in a subsequent period if, and only if, the reasons for the impairment loss have ceased to apply. Impairment losses are charged to profit or loss in administration expenses.



# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

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#### 3. Accounting policies *(continued)*

##### Financial instruments

A financial asset or a financial liability is recognised only when the entity becomes a party to the contractual provisions of the instrument.

Basic financial instruments are initially recognised at the transaction price, unless the arrangement constitutes a financing transaction, where it is recognised at the present value of the future payments discounted at a market rate of interest for a similar debt instrument.

Debt instruments are subsequently measured at amortised cost.

Other financial instruments, including derivatives, are initially recognised at fair value, unless payment for an asset is deferred beyond normal business terms or financed at a rate of interest that is not a market rate, in which case the asset is measured at the present value of the future payments discounted at a market rate of interest for a similar debt instrument. Other financial instruments are subsequently measured at fair value, with any changes recognised in profit or loss, with the exception of hedging instruments in a designated hedging relationship.

Financial assets that are measured at cost or amortised cost are reviewed for objective evidence of impairment at the end of each reporting date. If there is objective evidence of impairment, an impairment loss is recognised in profit or loss immediately.

For all equity instruments regardless of significance, and other financial assets that are individually significant, these are assessed individually for impairment. Other financial assets are either assessed individually or grouped on the basis of similar credit risk characteristics. Any reversals of impairment are recognised in profit or loss immediately, to the extent that the reversal does not result in a carrying amount of the financial asset that exceeds what the carrying amount would have been had the impairment not previously been recognised.

##### Defined contribution plans

Contributions to defined contribution plans are recognised as an expense in the period in which the related service is provided. Prepaid contributions are recognised as an asset to the extent that the prepayment will lead to a reduction in future payments or a cash refund.

When contributions are not expected to be settled wholly within 12 months of the end of the reporting date in which the employees render the related service, the liability is measured on a discounted present value basis. The unwinding of the discount is recognised as a finance cost in profit or loss in the period in which it arises.

#### 4. Turnover

Turnover in both years is derived from continuing activities in the UK and principally represents investment manager fee income net of VAT receivable from real estate assets under management of Ediston Property Investment Company plc.

The whole of the turnover is attributable to the principal activity of the company wholly undertaken in the United Kingdom.

# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 5. Auditor's remuneration

	<b>2023</b>	2022
	<b>£</b>	£
Fees payable for the audit of the financial statements	<u>3,850</u>	<u>4,200</u>
Fees payable to the company's auditor and its associates for other services:		
Taxation compliance services	2,080	2,240
Other non-audit services	–	700
	<u>2,080</u>	<u>2,940</u>

#### 6. Staff costs

The average number of persons employed by the company during the year amounted to 6 (2022: 5).

The aggregate payroll costs incurred during the year, relating to the above, were:

	<b>2023</b>	2022
	<b>£</b>	£
Wages and salaries	511,246	601,390
Social security costs	61,177	77,183
Pension costs	35,142	35,048
	<u>607,565</u>	<u>713,621</u>

The variable remuneration amount for the year amounted to £14,033 (2022: £193,834).

#### Key management personnel

The aggregate remuneration for key management personnel in the year was £360,512 (2022: £589,216), including employer National Insurance contributions.

#### 7. Directors' remuneration

The directors' aggregate remuneration in respect of qualifying services was:

	<b>2023</b>	2022
	<b>£</b>	£
Remuneration	<u>321,178</u>	<u>517,009</u>

Remuneration of the highest paid director in respect of qualifying services:

	<b>2023</b>	2022
	<b>£</b>	£
Aggregate remuneration	<u>152,000</u>	<u>259,583</u>

#### 8. Income from other fixed asset investments

	<b>2023</b>	2022
	<b>£</b>	£
Income from other fixed asset investments	<u>71,975</u>	<u>52,580</u>

# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 9. Other interest receivable and similar income

	<b>2023</b>	2022
	£	£
Interest on loans and receivables	80,621	11,050
Interest on bank deposits	76,423	21,070
Gain/(loss) on financial instruments	139,474	(291,648)
	<u>296,518</u>	<u>(259,528)</u>

#### 10. Tax on profit

##### Major components of tax expense

	<b>2023</b>	2022
	£	£
<b>Current tax:</b>		
UK current tax expense	265,335	204,507
<b>Deferred tax:</b>		
Origination and reversal of timing differences	5,595	(37,774)
<b>Tax on profit</b>	<u>270,930</u>	<u>166,733</u>

##### Reconciliation of tax expense

	<b>2023</b>	2022
	£	£
Profit on ordinary activities before taxation	1,255,680	807,458
Profit on ordinary activities by rate of tax at 23.52% (2022:19%)	295,343	153,417
Expenses not deductible for tax purposes	(30,265)	55,413
Chargeable gains	32,805	-
Movement in unrecognised deferred tax	(29,273)	22,247
Remeasurement of deferred tax for changes in tax rates	2,063	(10,473)
Adjustment in respect of previous periods	257	(53,871)
<b>Tax on profit</b>	<u>270,930</u>	<u>166,733</u>

#### 11. Investments

	<b>Other investments other than loans</b>
	£
<b>Carrying amount:</b>	
At 1 January 2023	799,637
Additions	72,072
Revaluations	139,474
<b>At 31 December 2023</b>	<u>1,011,183</u>
<b>Impairment</b>	
At 1 January 2023 and 31 December 2023	<u>-</u>
<b>Carrying amount</b>	
At 31 December 2023	<u>1,011,183</u>
At 31 December 2022	<u>799,637</u>

# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 12. Debtors

	<b>2023</b>	2022
	<b>£</b>	£
Trade debtors	673,181	785,165
Amounts owed by group undertakings	5,120,348	293,424
Prepayments and accrued income	347,065	51,061
Other debtors	1,163,324	-
	<u>7,303,918</u>	<u>1,129,650</u>

#### 13. Creditors: amounts falling due within one year

	<b>2023</b>	2022
	<b>£</b>	£
Trade creditors	10,199	35,142
Accruals and deferred income	7,116	6,444
Corporation tax	265,078	48,830
Social security and other taxes	33,077	24,660
	<u>315,470</u>	<u>115,076</u>

#### 14. Deferred tax

The deferred tax account consists of the tax effect of timing differences in respect of:

	<b>2023</b>	2022
	<b>£</b>	£
Deferred tax - capital gains	5,595	37,774
Deferred tax - short term timing differences	-	(37,774)
	<u>5,595</u>	<u>-</u>

#### 15. Employee benefits

##### Defined contribution plans

The amount recognised in profit or loss as an expense in relation to defined contribution plans was £35,142 (2022: £35,048).

#### 16. Financial instruments

The carrying amount for each category of financial instrument is as follows:

	<b>2023</b>	2022
	<b>£</b>	£
<b>Financial assets measured at fair value through profit or loss</b>		
Trade and other debtors	7,303,918	1,129,650
Cash and cash equivalents	296,047	5,491,122
	<u>7,599,965</u>	<u>6,620,772</u>
<b>Financial liabilities measured at fair value through profit or loss</b>		
Trade and other creditors	<u>315,470</u>	<u>115,076</u>

# Ediston Investment Services Limited

## Notes to the Financial Statements *(continued)*

### Year ended 31 December 2023

#### 17. Called up share capital

##### Issued, called up and fully paid

	2023		2022	
	No.	£	No.	£
Ordinary shares of £1 each	<u>67,932</u>	<u>67,932</u>	<u>67,932</u>	<u>67,932</u>

#### 18. Reserves

Called up share capital - This reserve represents the amount received in excess of the nominal value of shares issued, less transaction costs.

Capital redemption reserve - This reserve records the net cost of share issues from and buy backs into Treasury.

Profit and loss account - This reserve records retained earnings and accumulated losses.

#### 19. MIFIDPRU

In accordance with MIFIDPRU 8, the required disclosures in respect of risk management objectives and policies, with own funds requirements, and remuneration policy and practices are available from the company's registered office on request or on the company's website.

#### 20. Analysis of changes in net debt

	At 1 Jan 2023	Cash flows	At 31 Dec 2023
	£	£	£
Cash at bank and in hand	<u>5,491,122</u>	<u>(5,195,075)</u>	<u>296,047</u>

#### 21. Related party transactions

The company has made loans to associated companies in which D O'Neill, R Laing and A McKinlay are directors. One loan is repayable on demand and is interest free. The remaining loans are repayable on demand and have a variable interest rate. The following balances were outstanding at the year-end:

	2023	2022
	£	£
Ediston Lux. Limited	-	293,424
Ediston Properties Limited	4,400,348	-
Benmore Homes Limited	720,000	-
	<u>5,120,348</u>	<u>293,424</u>

#### 22. Directors' advances, credits and guarantees

One new loan was advanced to the directors during the year of £3,626,777 (2022: £nil). Interest totalling £37,248 (2022: £nil) was charged on directors' loan. At the year end, £1,163,324 (2022: £nil) was due from the directors.

#### 23. Controlling party

The ultimate controlling party is considered to be Daniel O'Neill.